

Issue Form - BSCP40/04	Issue Number: 57 <i>(mandatory by BSCCo)</i>
Issue Title <i>(Mandatory by originator)</i> Should Half-Hourly Settlement be mandatory for certain Unmetered Supplies customers?	
Issue Description <i>(Mandatory by originator)</i> Under the Unmetered Supply (UMS) arrangements, there are two methods of trading: <ul style="list-style-type: none"> • Non Half-Hourly (NHH) – where unmetered MSID¹s are settled using an Estimated Annual Consumption (EAC), and a simplistic approach to profiling a unmetered supply using Profile Classes 1² and 8³; and • Half Hourly (HH) - where unmetered MSIDs are settled using calculations undertaken by an Equivalent Meter (EM) with inputs from additional sources such as Photo Electric Control Unit (PECU) arrays and Central Management Systems (CMS). <p>While the energy volumes settled using either HH or NHH are likely to be similar, since they both use the same customer inventory information and Charge Codes (for estimating the energy usage of UMS apparatus), the volume allocation is much more sophisticated in HH Settlement.</p> <p>While the crude NHH volume allocation using the Profiles makes little impact for small UMS customers (e.g. a parish council with a handful of streetlights), it has the potential to misallocate reasonably large volumes for large customers.</p>	
Justification for Examining Issue <i>(Mandatory by originator)</i> In Settlement, the accurate allocation of energy volume is as important as having the right volume to allocate. Energy is settled on a half-hourly basis and as such, when using estimated consumptions and profiles can lead to large misallocation of energy that can impact Suppliers through imbalance payments. <p>Applications from telecommunications providers for UMS Charge Codes have highlighted this issue and the Supplier Volume Allocation Group (SVG) has agreed that this issue should be considered.</p>	

¹ A unique number relating to a Metering Point and which consists of: (i) a 2 digit number determined by reference to the License Distribution System Operator (LDSO), (ii) a 10 digit reference number provided by the relevant LDSO and (iii) a 1 digit check number provided by the relevant LDSO.

² Domestic Unrestricted Customers

³ Non-Domestic Maximum Demand Customers with a Peak Load Factor over 40%

Potential Solution(s) *(Optional by originator)*

A solution could be to set a MWh limit at which Customers would be required to be settled on a HH basis. This limit should be set across the customers MSIDs rather than on a per MSID basis. This is to prevent customers simply dividing their UMS inventories across additional MSIDs to avoid the mandate.

An alternative would be to specify the mandate by customer type. For example, highway agencies, lighting authorities or cable providers would be settled HH while parish councils and housing associations would be settled NHH. The latter approach is likely to be more problematic to define.

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