

Assessment Procedure Consultation Responses

P348 'Provision of gross BM Unit data for TNUoS charging'

This Assessment Procedure Consultation was issued on 20 February 2017, with responses invited by 13 March 2017.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
EDF Energy	6/0	Generator and Supplier
Npower Group PLC	6/1	Generator, Supplier, Non Physical Trader and Supplier Agent
National Grid Electricity Transmission	1/0	Transmission Co.
ScottishPower	2/2	Generator, Supplier, ECVNA and Supplier Agent HHDA
TMA Data Management Ltd	0/5	Supplier Agent: HHDC, HHDA, NHHDC, NHHDA, MOA

P348
Assessment Consultation
Responses

14 March 2017

Version 1.0

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Question 1: Do you agree with the Workgroup's initial unanimous view that P348 proposed solution does better facilitate the Applicable BSC Objectives than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
4	1		

Responses

Respondent	Response	Rationale
EDF Energy	Yes	P348 original centralises the aggregation of metered data within a single BSC Agent. The centralised aggregation would be performed in parallel to the SVAA's existing Settlement function. We agree that, this mod if passed with any of the CUSC variants, would allow the Transmission Company to efficiently discharge its obligations enabling it to better develop a cost reflective charging methodology – this is relevant to BSC applicable objective (a). It would thus allow the Transmission Company to discharge obligations enshrined in the SLC C13 by forming part of an enduring solution to the issue of a disparity in charging arrangements for different types of generation. It is neutral on b, and positive against BSC objective c, as it would promote effective competition in the generation and supply of electricity, as it would address a growing disparity in charging arrangements for different types of generation.
Npower Group PLC	No	<p>Npower does not agree that P348 facilitates the BSC objectives, as per our response to the August 2016 Assessment Procedure Consultation. To reiterate, please see our response towards each relevant objective below:</p> <p>(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence</p> <p>We are neutral towards whether P348 facilitates this objective.</p> <p>(b) The efficient, economic and co-ordinated operation of the National Transmission System</p> <p>P348 does not better facilitate this objective as the development of systems and data flows to support CMP265 are likely to be disproportionately costly in terms of the terms of the temporary and</p>

Respondent	Response	Rationale
		<p>partial nature of the benefits they will deliver when implementing the solution suggested.</p> <p>(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity</p> <p>P348 does not better facilitate this objective as it does not improve competition as this modification introduces different rules for different Embedded Generators. (CM vs non CM).</p> <p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements</p> <p>We feel that P348 does not better facilitate this objective given the added complexity this modification delivers at significant expense for a limited time period only.</p> <p>(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]</p> <p>N/A</p> <p>(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation.</p> <p>N/A</p> <p>(g) Compliance with the Transmission Losses Principle</p> <p>The decision Ofgem makes on CMP265 will make a difference to investment decisions and therefore will impact on Transmission losses (T-losses) in the long term. However, the proposed solution to implement P348 does not impact T-losses and should be selected on the basis of being the most efficient option which meets the needs of any CMP365 solution approved by Ofgem.</p>
National Grid Electricity Transmission	Yes	We would agree with the workgroup view on the proposed solution.
ScottishPower	Yes	The removal of Triad avoidance techniques results in a level playing field across all Parties, resulting in

Respondent	Response	Rationale
		<p>an accurate reflection of TNUoS charging across the market, which better facilitates Applicable BSC Objective (c).</p> <p>The introduction of a process whereby the SVAA is responsible for the calculations of Affected and Grandfathered Embedded Export Metering System would result in a consistent approach by 1 Party, which does better facilitate the Applicable BSC Objective (d).</p>
TMA Data Management Ltd	Yes	

Question 2: Do you agree with the Workgroup's initial unanimous view that P348 alternative solution does better facilitate the Applicable BSC Objectives than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
4	1		

Responses

Respondent	Response	Rationale
EDF Energy	Yes	Yes, for the same reasons as cited in the response to question 1. The alternative solution also facilitates CMP265, except that it does so via a simple SVAA solution, whereas P348 original uses a Centralised DA. SVAA already receives all necessary data to calculate gross demand and export based on the data reported to it by DAs for normal Settlement purposes. It is the workgroup's view that the alternative solution facilitates CMP265 WACMs 1 to 11, but not CMP265 original. To this extent, if CMP265 original were passed then clearly Ofgem would need to pass BSC P348 original; but if variants 1 to 11 were passed, then P348 alternative could work – as could P348 original, that works for all variants.
Npower Group PLC	No	We do not agree that P348's alternative solution facilitates the relevant BSC objectives.
National Grid Electricity Transmission	Yes	We would agree with the Workgroup's initial view on the alternative solution.
ScottishPower	Yes	The removal of Triad avoidance techniques results in a level playing field across all Parties, resulting in an accurate reflection of TNUoS charging across the market, which better facilitates Applicable BSC Objective (c).
TMA Data Management Ltd	Yes	

Question 3: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P348 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
4		1	

Responses

Respondent	Response	Rationale
EDF Energy	Yes	
Npower Group PLC	Yes	The draft legal text sufficiently delivers the intention of P348's proposed solution.
National Grid Electricity Transmission	Yes	The legal text appears to provide for the data required to deliver the intention of P348 proposed solution.
ScottishPower	Neutral	Given Ofgem's minded to decision in relation to CMP 264 and 265, we have not focused our efforts on some of the legal drafting that would now appear to be redundant. The legal drafting requirements are more likely to be aligned with P349.
TMA Data Management Ltd	Yes	

Question 4: Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of P348 alternative solution?

Summary

Yes	No	Neutral/No Comment	Other
4		1	

Responses

Respondent	Response	Rationale
EDF Energy	Yes	
Npower Group PLC	Yes	The draft legal text delivers the intention of delivering Option 2 as P348's alternative solution.
National Grid Electricity Transmission	Yes	The legal text appears to provide for the data required to deliver the intention of P348 alternative solution.
ScottishPower	Neutral	See above.
TMA Data Management Ltd	Yes	

Question 5: Do you agree with the Workgroup's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
4	1		

Responses

Respondent	Response	Rationale
EDF Energy	Yes	Yes, the proposal is for an implementation date for both P348 and P349 of 2nd November 2017 as part of the November 2017 BSC System Release. This will allow ELEXON to collect metered data and send them to National Grid to support it setting TNUoS Charges that will take effect from 1st April 2018.
Npower Group PLC	No	<p>The original targeted implementation date for P348 was November 2019, which npower supported. While we do not support the implementation of CMP265 (which P348 is related to), we believe that any modification that makes such significant changes to the demand charging principles should allow a minimum of 3 years from the date of the Ofgem decision to implementation. This delay is necessary for suppliers and consumers because it enables systems and processes to be updated to accommodate the changes required. In addition it will enable current contractual agreements to unwind which will allow the required changes to be factored into future contracts.</p> <p>As Elexon has now brought the implementation date forward to November 2017. Given that the BSC modification is still at the Options stage, and that new DTC data flows are being suggested, we think that not only is this date ambitious, but it is also unrealistic in terms of allowing suppliers sufficient time to make the necessary changes to their systems.</p>
National Grid Electricity Transmission	Yes	We would agree with the recommended implementation date as we think this should happen as soon as possible. We would be keen for the earliest implementation, i.e. November 2017, as this would provide a dataset to be available for part of the winter ahead of setting tariffs (under a new regime) for 2018/19. We are keen to ensure that any changes do not adversely affect other data we already receive.

Respondent	Response	Rationale
ScottishPower	Yes	We support the 2 November 2017 implementation as part of the November 2017 BSC System Release. This will allow ELEXON to collect metered data and send those to National Grid to support it setting TNUoS Charges that will take effect from 1 April 2018, and is in line with Ofgem's minded to position.
TMA Data Management Ltd	Yes	If CMP265 is approved, P348 would be required to be implemented in time for the triads of 2017/2018 to enable tariff setting for 2018, justifying a Nov 2017 implementation. However, should the implementation date of CPM265 be delayed, there would be no reason to implement P348 so quickly.

Question 6: Do you agree with the Workgroup that there are no other potential Alternative Modifications (other than Option 2) within the scope of P348 which would better facilitate the Applicable BSC Objectives?

Yes	No	Neutral/No Comment	Other
4		1	

Responses

Respondent	Response	Rationale
EDF Energy	Yes	
Npower Group PLC	Yes	<p>We do not think there are any other potential solutions within P348 other than Option 2, which would be more suitable to deliver this change.</p> <p>We prefer this Option since it would mean that the impacts to suppliers would be limited to having two sets of Demand TNUoS tariffs (Import and Embedded Generation). This option is also in line with the Ofgem Minded To position on CMP265. However, since no final decision has been made we feel it would be prudent to wait until Ofgem make their final ruling in May rather than start developing either of the other options (most likely option 3 as this has been identified as addressing any of the possible CMP264/5 outcomes) before this. This is because option 2 is likely to fulfil the regulators determined solution and the other options would cause significant and most likely unnecessary work for many of the parties involved.</p> <p>Furthermore, should the regulator determine that baseline is better than any of the solutions tabled under CMP264/5 then no development will be required.</p>
National Grid Electricity Transmission	Yes	N/A
ScottishPower	Yes	
TMA Data Management Ltd	No comment	

Question 7: Which Supplier (losing, gaining or both) should be required to notify SVAA of a Change of Supplier under option 1? Do you have any other comments on the interaction of the P348/P349 solutions with the CoS process?

Responses

Respondent	Response
EDF Energy	It does not terribly matter which Supplier is obliged to notify the SVAA of a change of Supplier of a relevant site, but intuition suggests the obligation might more naturally be placed on the gaining Supplier. "Both" would seem an approach that was even more likely to be comprehensive - at the expense, though, of some extra burden on Suppliers.
Npower Group PLC	Neither. Our preference is for this activity to be managed by a central system without the need for the losing, gaining, both supplier to notify SVAA of a change of supplier. Option 1 is not currently aligned with the minded to position of Ofgem and the scope of Option 3 is beyond the requirements of the minded to position.
National Grid Electricity Transmission	N/A
ScottishPower	Gaining Supplier is usually responsible for notifying the wider market of any change in Supplier registration. For consistency with other processes, we would suggest this requirement should be the responsibility of the Gaining Supplier.
TMA Data Management Ltd	Both. Both losing and gaining Suppliers should be required to notify the SVAA of a change of Supplier under option 1 (P348 proposed solution).

Question 8: What mechanism would be appropriate for SVAA to notify Suppliers of errors or discrepancies in the Metering System data provided under option 1?

Responses

Respondent	Response
EDF Energy	A manual process for SVAA to notify the Supplier of the issue would suffice, such as by email. Creating another DTN flow for this purpose would seem a little "OTT".
Npower Group PLC	We envisage that a new dataflow would be created to notify Supplier of exceptions along the lines of the D0235 flow. Volumes for these exceptions would be required for the TNUoS invoice validation.
National Grid Electricity Transmission	N/A
ScottishPower	This needs to be explored further.
TMA Data Management Ltd	A new DTC flow would ensure traceability and auditability and therefore would be our favoured option; however we understand that it would add cost and complexity to option 1.

Question 9: Will your organisation be impacted by the implementation of the P348 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
5			

Responses

Respondent	Response	Rationale
EDF Energy	Yes	Yes. Suppliers like EDF Energy would have to undertake requirements as set out on page 28 onwards of the consultation document, such as requirement 1.1 (Each Supplier must report metered data to SVAA for each of its HH exporting Metering Systems). Registrants of HH exporting Metering Systems would have to identify and notify the SVAA of Metering Systems that are Affected Embedded Export Metering Systems and Grandfathered Embedded Export Metering Systems.
Npower Group PLC	Yes	Npower's systems will be impacted by implementing P348. These changes need to be accommodated in the timeline for implementation as our internal pricing and billing systems would require changes along with customer contractual arrangements.
National Grid Electricity Transmission	Yes	As the recipient of the P02010 file we would be required to update a number of IS systems to allow this data to be received and processed into our core TNUoS billing system.
ScottishPower	Yes	New processes would be required to implement this change.
TMA Data Management Ltd	Yes	Our HHDA System and procedures would be impacted by the implementation of P348 proposed solution.

Question 10: Will your organisation incur any costs due to the implementation of the P348 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
5			

Responses

Respondent	Response	Rationale
EDF Energy	Yes	Yes, but we would expect them to be low as a small administrative part of the customer acquisition, or loss, or both, process. We are not able to put a figure on this.
Npower Group PLC	Yes	Implementing P348 will necessitate system changes which will be costly. Further, existing contracts may need amending/renegotiating. Also as a low number of metering systems will be impacted by the implementation of P348, we do not think that the costs for implementation will outweigh the benefits.
National Grid Electricity Transmission	Yes	<p>We are currently undertaking detailed assessment of the likely cost impact of the P348 proposed solution, and hope to provide this information soon. However initial costs are approximately £2million.</p> <p>At a high-level, we will require changes to the systems that accept and process additional data received in the P02010 file.</p> <p>Note in our assessment (ongoing) any changes to the billing / invoicing functionality of our systems arising from the changes to tariff structures and chargeable volumes proposed under CMP265 will not be included (as these are outside the scope of this modification).</p>
ScottishPower	Yes	We would incur a small set-up cost, and some ongoing costs. The costs, however, won't be significant in comparison to the likely consumer benefits.
TMA Data Management Ltd	Yes	Medium one off costs for development, testing and implementation, on-going running costs would be absorbed with other operational costs.

Question 11: Will your organisation be impacted by the implementation of the P348 alternative solution?

Summary

Yes	No	Neutral/No Comment	Other
3	2		

Responses

Respondent	Response	Rationale
EDF Energy	No	The reported requirements for option 2 (the alternative solution entailing a simple SVAA) on pages 34 onwards in the consultation document, are requirements for actions by the SVAA, and not by Suppliers such as EDF Energy.
Npower Group PLC	Yes	Yes, Npower will be impacted by the implementation of P348's alternative solution. However, we believe that the impact of implementing Option 2 as the alternative solution, will have less of an impact than Option 1.
National Grid Electricity Transmission	Yes	If Ofgem approve CMP264/265 WACM 1-11 then we think this is the most efficient way of implementation.
ScottishPower	Yes	
TMA Data Management Ltd	No	As Option 2, P348 alternative solution uses the existing processes, there would be no impact on our systems or procedures.

Question 12: Will your organisation incur any costs due to the implementation of the P348 alternative solution?

Summary

Yes	No	Neutral/No Comment	Other
3	2		

Responses

Respondent	Response	Rationale
EDF Energy	No	None identified.
Npower Group PLC	Yes	Implementing P348's proposed or alternate solution will have cost implications, however this will be slightly lower than implementing Option 1.
National Grid Electricity Transmission	Yes	It has not been possible to undertake a detailed analysis of the cost impact of the alternative solution; however we have approximate costs of significantly above the £2million for the original. As it increases the number of data flows to National Grid and requires us to undertake processing of that data once received compared to an updated P0210 file, the likely cost, complexity and risks are likely to be significantly higher than under the original solution.
ScottishPower	Yes	We would incur a small set-up cost, and some ongoing costs. The costs, however, won't be significant in comparison to the likely consumer benefits.
TMA Data Management Ltd	No	As P348 alternative solution would have no impact, we would not incur any cost.

Question 13: Do you have any further comments on P348?

Summary

Yes	No
3	2

Responses

Respondent	Response	Comments
EDF Energy	No	
Npower Group PLC	Yes	<p>We would like to highlight that during the course of this consultation request Ofgem have published their minded to position on CMP264/265. A consultation is now currently in progress on their minded to position which will close on 10th April with a final decision being made in May 2017.</p> <p>As no final decision has been made we feel it would be prudent to wait until Ofgem make their final ruling in May rather than start developing either of the other options (most likely option 3 as this has been identified as addressing any of the possible CMP264/5 outcomes) before this. This is because option 2 is likely to fulfil the regulators determined solution and the other options would cause significant and most likely unnecessary work for many of the parties involved.</p>
National Grid Electricity Transmission	No	N/A
ScottishPower	Yes	We believe that the focus should now be on Ofgem's minded to decision, which requires a more straightforward implementation solution.
TMA Data Management Ltd	Yes	We strongly favour option 2, using existing processes minimises the impact on Party Agents of a non BSC process.