

## P366 'Change to Supplier Charge SP08a calculations to account for small scale non-domestic Non Half Hourly hard-to-read Meters'

P366 proposes to exclude Non Half Hourly (NHH) non domestic meters at agreed hard-to-read (HTR) sites from Supplier Charges for SP08a.



ELEXON recommends P366 is progressed to the Assessment Procedure for assessment by a Workgroup

This Modification is expected to impact:

- Suppliers
- BSC Agents
- Party Agents
- ELEXON
- Performance Assurance Board

## Contents

<b>1</b>	<b>Why Change?</b>	<b>3</b>
<b>2</b>	<b>Solution</b>	<b>6</b>
<b>3</b>	<b>Areas to Consider</b>	<b>9</b>
<b>4</b>	<b>Proposed Progression</b>	<b>12</b>
<b>5</b>	<b>Likely Impacts</b>	<b>14</b>
<b>6</b>	<b>Recommendations</b>	<b>16</b>
	<b>Appendix 1: Glossary &amp; References</b>	<b>17</b>

## About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 10 May 2018. The Panel will consider the recommendations and agree how to progress P366.

There are two parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the P366 Proposal Form.



---

### Contact

**Chris Wood**

020 7380 4142

[chris.wood@elexon.co.uk](mailto:chris.wood@elexon.co.uk)



---

278/04

P366  
Initial Written Assessment

---

3 May 2018

---

Version 1.0

---

Page 2 of 18

---

© ELEXON Limited 2018

# 1 Why Change?

## Background

The Balancing and Settlement Code (BSC) [Section S, Annex S-1 'Performance Levels and Supplier Charges'](#) paragraph 2.2.1 requires that, in relation to each Grid Supply Point (GSP) Group, the percentage of total energy attributable to a Supplier in respect of NHH Metering Systems settled on the basis of Annualised Advances (actuals) for each Settlement Day shall be no less than 80% for the Third Reconciliation (R3) Volume Allocation Run (VAR) and 97% for the Final Reconciliation (RF) VAR.

## Monitoring of performance

ELEXON monitors compliance with these requirements via the Settlement data provided by Supplier Volume Allocation Agent (SVAA). As part of the Performance Assurance Framework (PAF), we use a set of Performance Assurance Techniques (PATs) to help mitigate the Settlement Risks. We use [Performance Assurance Reporting and Monitoring System \(PARMS\)](#) data primarily to support the Performance Monitoring, Peer Comparison and Supplier Charge techniques, and to report to the Performance Assurance Board (PAB). Data from PARMS supports the BSC Audit and we periodically provide information to the BSC Panel and other Panel Committees or Modification groups.

Supplier Charges are liquidated damages that Suppliers incur if they fail to meet certain performance levels. They compensate Parties disadvantaged by those who aren't meeting defined Standards. We consider Supplier Charges to be a remedial technique within the PAF. However, amongst other things, Supplier Charges can be seen as an incentive to obtain Meter readings. Obtaining Meter readings within the required time frame maintains the integrity of Settlement and ensures billing is accurate.

ELEXON and the PAB also monitor performance against Business Unit Settlement Risk Ratings<sup>1</sup> ([BUSRRs](#)) to determine, in particular, whether the PAT, Error and Failure Resolution<sup>2</sup> (EFR) should be applied. If EFR is applied, escalation to the PAB and subsequently Panel can occur if the Supplier doesn't co-operate, put in place robust plans or make sufficient progress with its EFR plan. Whilst this isn't the issue this Proposer raises, many Suppliers highlight customers with HTR sites as the source of issues to ELEXON and the PAB.

## Calculation of Supplier Charges for SP08a

The PARMS software calculates the Supplier Charges due each calendar month. These charges are capped for each Supplier to limit each Party's liability in any one reporting period. A GSP Group's monthly liability cap is calculated based on its annual take for the previous financial year. A Supplier's monthly liability cap is calculated based on its total active import energy in the reporting period.

Each month, the PAB authorises Supplier Charges to be distributed among Trading Parties:

<sup>1</sup> Use of reporting to monitor how the operations of relevant Business Units (Market Participant IDs – MPIDs) contribute to the level of risk for each of the top Settlement Risks

<sup>2</sup> A remedial PAT used to assure ELEXON, the PAB and the rest of the industry that Parties understand performance issues and have robust plans in place to correct them in a timely manner.

- 90% of funds from a GSP Group are re-distributed to the NHH Suppliers operating in the GSP Group, based on their share of NHH energy traded in the GSP Group; and
- 10% are re-distributed to all Trading Parties based on their Main Funding Share (equivalent to market share – HH & NHH).

### Applicable PARMS Serial

Compliance with the R3 and RF VAR standards in BSC Annex S-1 paragraph 2.2.1 is monitored by PARMS Serial SP08a 'Percentage of Non-Half Hourly (NHH) Energy Settled on Annual Advances'. Where a Supplier has failed to reach its R3 and RF target in respect of NHH Metering Systems it will incur a charge.

In calculating the Supplier Charges associated with PARMS Serial SP08a, it is the difference between the VAR target (80% or 97% as applicable) and what is actually achieved that is taken into consideration<sup>3</sup>. SP08a Supplier Charges are applied at two stages: they are applied at R3 VAR at a cost of £0.21/MWh; and at the RF VAR at a rate of £2.28/MWh. It should be noted that charges are 'capped' per Supplier based on their market share for the GSP Group in question.

### What is the issue?

The Proposer has stated that Supplier Charges for PARMS Serial SP08a incurred due to access issues at HTR (see below) sites are particularly challenging for small and new entry Suppliers and cause pricing disadvantages for them. Suppliers with larger, established and more 'traditional' customer portfolios may have a similar number of HTR sites as small Suppliers, if not more. However, due to the vast number of sites in the large Supplier's portfolio, the HTR sites will account for less than 3% of energy Supplied in each of their associated GSP Groups.

The Proposer argues that even if larger Suppliers suffer from the same issues in obtaining Meter readings, they will not attract SP08a Supplier Charges as their HTR sites can be 'lost' within the 3% allowed for estimated energy. As the NHH R3 and RF performance targets cannot be achieved without a large NHH customer base (where Suppliers have large numbers of HTR sites), this translates into significant competitive and pricing disadvantages for smaller Suppliers.

Due to the combination of practical limitations, disproportionate costs and low consumption, customers will likely refuse site access. Installation of Advanced Meters or smart Meters has also proved to be difficult where no mobile telephone signal exists and the cost of installing a landline or using alternative means of communication is prohibitively expensive<sup>4</sup>.

The Proposer also notes that most HTR sites have not been read for 'a prolonged period of time' and across multiple Suppliers. Therefore, it is evident that despite best efforts being taken, it is often not possible for any Supplier to obtain Meter readings for these sites.

<sup>3</sup> If a Supplier supplies 1000 MWh of electricity, they must obtain the actual Meter readings associated with 970 MWh of Supply. If they only achieve 950 MWh, then SP08a will apply to the 20 MWh below the required target

<sup>4</sup> Prohibitively in this case means the cost of installation against the SP08a charges that will be levied during the period of the contract with the I+C consumer.

The Proposer believes that the Supplier Charge SP08a incentive for HTR NHH non-domestic sites is not functioning effectively as there is nothing Suppliers can do differently to improve Settlement performance on these sites due to practical limitations. Similarly, when Supplier Charges were first proposed and implemented, the market place was very different and it may be that SP08a Supplier Charges are not suitable for the existing market place.

It should be noted that BSC Modification P272 reduced the number of NHH non-domestic sites, and the rollout of advanced and smart meters has increased the number that can be remotely, frequently read leading to increased performance at earlier VARs already.

### **Hard-to-read sites**

Orsted has proposed that a HTR site can be characterised by the following:

- A site that is operational (i.e. having an energy demand) but not occupied by any personnel for extended periods of time and is in a remote area;
- The customer (the owner of the site) is non-domestic and classed as an Industrial and Commercial (I+C) consumer;
- The customer is not willing to provide a Meter reading themselves due the cost of sending staff to remote locations relative to the associated electricity bill i.e. HTR sites have very little (often relatively negligible) consumption;
- The customer is not willing to facilitate access to the site in order for the Supplier to obtain a meter read as they would need to send a member of staff to provide access (see above);
- The customer is not willing to facilitate access to the site (see above) in order for the Supplier to reposition metering outside of the site e.g. on an external wall;
- The customer is not willing to allow use of their own systems for remote monitoring system in order to remotely monitor electricity meters;
- There is no hard wired telecommunication infrastructure available for remote read, or it is prohibitively expensive to install. This is amplified if the customer is unwilling to facilitate access for installation (see above); and
- Remotely monitored Metering Systems that transmit data via radio signal<sup>5</sup> would not be of use due to the geographic location or the customer is unwilling to allow access for installation (see above) or the cost of installation is prohibitively expensive.

---

278/04

P366  
Initial Written Assessment

---

3 May 2018

---

Version 1.0

---

Page 5 of 18

---

© ELEXON Limited 2018

---

<sup>5</sup> May include, but not be limited to: Global System for Mobile communications (GSM); General Packet Radio Services (GPRS); High Frequency (HF); Ultra-High Frequency (UHF); or other such radio communications median.

### Proposed Solution

Estimated Annual Consumption (EAC) data for HTR sites should be removed from Supplier Charge SP08a when Suppliers can demonstrate that Meter readings cannot be obtained, despite reasonable steps being taken. In order to facilitate this, HTR sites need to be approved and subsequently, the relevant number of metering systems and volume data will be removed from the SP08a Supplier Charges calculations.

### Identification of HTR sites

The process by which HTR sites are identified and granted HTR status should be robust enough that only genuine HTR sites are proposed by Suppliers. Suppliers should be required to provide evidence in relation to each HTR site that can, where possible, be independently verified. In order to demonstrate that a site is HTR the following should be included as evidence of HTR status:

- The Meter is registered in the Supplier Meter Registration Service (SMRS) as Profile Class 3 or 4 (i.e. non-domestic NHH);
- Evidence that the consumption would be negligible (a recommendation of what is 'negligible' should be determined by the Workgroup);
- Location of Meter (address or Ordnance Survey Grid reference);
- Evidence that the location is not attended by the owner or their representative for extended periods of time (definition of 'extended' to be determined, but should be no less than two years between site visits);
- Evidence that it is impossible or prohibitively expensive to install remotely read Meters; and
- Evidence that the Supplier has made all reasonable attempts to obtain a Meter reading (a recommendation of what is 'reasonable' should be determined by the Workgroup). This could include evidence of failures to read data flows; or proof that the customer is not facilitating the collection of Meter readings.

Once the required evidence has been submitted, it should, where possible, be independently verified prior to assessing whether all of the criteria have been met. If it is not possible to independently verify the evidence provided, the assessor (whether that be ELEXON or a BSC Agent) should satisfy themselves as far as possible as to the accuracy of evidence provided.

The Proposer has suggested that if all of the criteria have been met, then final approval of HTR status will rest with the Panel, although the Proposer anticipates that this would be delegated to the PAB.

In developing this solution the Proposer considered whether the site should be audited in some way or whether a baseline reading<sup>6</sup> should be obtained. However, for the reason already outlined, if the Supplier is unable to obtain a Meter reading, then there is no reason to believe an auditor would be able to access the site, or a Meter reader to obtain a baseline reading.

<sup>6</sup> This would be used to confirm that the EAC value remains accurate from the last actual Meter reading.

## Excluding HTR data from Supplier Charge SP08a

The Proposer has suggested that HTR status should be identified at site level. Metering Systems in a HTR site should be classified as HTR Metering Systems for calculating Supplier Charges for SP08a. Metering Systems will be identified on a Metering System Identifier (MSID) basis (i.e. each of the Metering Systems at a HTR site are identified by their MSID) and flag the relevant default EAC to the Data Aggregator (DA). The DA would then aggregate energy volumes as usual, but would also separately aggregate the EACs for HTR Metering Systems and send these to the of Supplier Volume Allocation Agent (SVAA)<sup>7</sup>. This would allow PARMS to exclude the HTR volume from the SP08a Supplier Charges calculation without impacting other business-as-usual aggregation activities.

In order to facilitate the above, where possible, new data items should be created within existing data flows, however, there may be a need to create new data flows.

## Applicable BSC Objectives

The Proposer believes this Modification would better facilitate Applicable BSC Objectives (c) and (d) compared with the existing baseline for the reasons set out below:

### Applicable BSC Objective (C):

The Modification solution will remove Supplier Charges applied to sites that cannot be read by Suppliers due to difficulties that are outside of their control. This will level the playing field for all Suppliers to compete fairly in the market, irrespective of their portfolio sizes. It will improve competition and remove a barrier of entry for new market participants.

### Applicable BSC Objective (D):

The Modification solution will ensure appropriate Supplier Charges are applied to Suppliers to correctly incentivise them to improve Settlement performance. This will improve efficiency and effectiveness of the PAF.

## Implementation approach

This change is expected to require changes to BSC Systems as well as BSC Configurable Items, but this will be confirmed during the Assessment Phase.

The Proposer's solution calls for either changes to existing data flows or creation of new data flows. It is not yet definitively known which data flows would be affected<sup>8</sup> or if new data flows will be required. Once the Workgroup has determined the impact, we will need to raise a Data Transfer Catalogue (DTC) Change Proposal to implement the required changes to the DTC. We will liaise with the Master Registration Agreement Service Company (MRASCo) to ensure that the DTC CP implementation date aligns with the P366 implementation date.



### What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(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]

(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

(g) Compliance with the Transmission Losses Principle

278/04

P366  
Initial Written Assessment

3 May 2018

Version 1.0

Page 7 of 18

© ELEXON Limited 2018

<sup>7</sup> ELEXON would suggest that at this stage the SVAA applies Line Loss Factors and GSP Group Correction Factors to both sets of energy volumes before sending them to PARMS, but this should be looked at in more detail by the Workgroups

<sup>8</sup> ELEXON will propose that the Workgroup considers data flows D0010, D0041 and P0145 initially, but acknowledges that this may change as the solution is developed

The Proposer has requested that P366 should be implemented as part of the first available and appropriate BSC release following approval. In determining the first available and appropriate BSC release, we would expect consideration to be given to other changes that are scheduled as well as the lead time required by industry, which we will consult on. Based on the proposed Progression Timetable and an assumed (rule of thumb) six month lead time, we do not expect P366 to be implemented until the June 2019 or November 2019 release.

---

278/04

P366  
Initial Written Assessment

---

3 May 2018

---

Version 1.0

---

Page 8 of 18

---

© ELEXON Limited 2018

### 3 Areas to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment of P366. We recommend that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

#### Identifying hard-to-read sites

Prior to removing HTR data from SP08a calculations it is essential that a thoroughly robust process is established to identify HTR sites that is proportionate to the issue. The Workgroup should consider the following:

- The criteria for HTR sites and, where possible and appropriate, the HTR process should align with the long term vacant process as there are some similarities between the two situations;
- Should the applicant be required to demonstrate they have made 'best effort', if so, how is 'best effort' determined;
- Who will be responsible for identifying HTR sites and the subsequent request for HTR status (e.g. Supplier or Data Collector (DC));
- Who will be responsible for determining whether a site is HTR and within this whether the Panel should make the final decision (and if so, a recommendation on whether this can be delegated to the PAB);
- How evidence can be independently verified and, if not possible, what evidence would be acceptable;
- A formal appeals and/or disputes process if Suppliers disagree with the Panel's determination;
- How long a site should be determined to be HTR and whether there should be an extension process (e.g. abbreviated application process) or if the applicant should be required to reapply;
- Whether the 'remoteness' will affect if a site is HTR and if so, how 'remote' is determined;
- How will changes to site be captured where there is a potential effect on consumption e.g. addition of new equipment; and
- When granting HTR status should wider industry obligations (and if so which) be taken into consideration e.g. Meter certificate expiration necessitating a meter change.

#### Determining the risk to Settlement and PAF

The Workgroup should consider, and model if applicable:

- How removing HTR data will affect Settlement calculations and the PAF;

---

278/04

P366  
Initial Written Assessment

---

3 May 2018

Version 1.0

---

Page 9 of 18

© ELEXON Limited 2018

- Whether the impact will be severe, moderate or negligible. This should be considered for the whole of Settlement and, where possible, on an individual site basis; and
- Whether EAC/AA is appropriate for HTR sites going forward, or should something be developed akin to Unmetered Supplies.

These impact assessments should be taken into consideration when making recommendations in the Assessment Report to the Panel on whether to recommend approval of the P366 proposed Modification.

The Workgroup should also consider whether it is appropriate for ELEXON to report on performance in relation to HTR sites and PARMS data.

## **Impact on PARMS Serials**

If HTR data is removed from SP08a, then the Workgroup should consider how other PARMS serials that use SP08a data will be impacted (e.g. SP09) and, if appropriate, how the impacts could be mitigated. In determining and analysing this, the Workgroup should consider at which point in the process is the best to separate HTR data from other data.

The Workgroup should also consider how to incentivise Suppliers to read Metering Systems located at HTR sites so that a default EAC is not used in perpetuity. The Workgroup should also consider if, and how, other Suppliers should be compensated for any resultant misallocation of energy.

## **How HTR data is communicated**

It has been proposed that HTR data should be identified at MSID level as this is the last part of the Settlement chain in which data is not aggregated. This data needs to eventually find its way into the SP08a calculations. The Workgroup needs to consider the best route for this (e.g. pass to each Party in the chain or direct to end user) and once they have determined the route for data transfer, the best means for doing this.

## **Other projects that may impact or be impacted by P366**

The Workgroup should take into consideration any other projects that are ongoing or due to commence that may be impacted by P366 or which may impact the implementation of P366 (e.g. TERRE and the PAF Review). In making their recommendations to the Panel in the Assessment Report the Workgroup should consider any other industry wide project.

The Workgroup should also consider any precedence set by other projects e.g. smart Meter roll out.

## Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P366:

Areas to Consider
Criteria for determining a HTR site
How HTR evidence can be verified
Who will be responsible for requesting HTR status
Should 'best effort' be proved and how is 'best effort' determined
Who will be responsible for determining HTR status and can this be delegated
Appeals and disputes process where Suppliers disagree with determinations
Whether remoteness is a factor to be considered and how it should be determined
Impact of material changes to site (e.g. change of equipment) on EAC volumes
How long should a site be deemed HTR and what happens on expiry of HTR status
The potential impact on Settlement calculations and how they can be avoided
The impact on PAF and how it can be mitigated
The impact on PARMS serials and how it can be mitigated
Should other Suppliers be compensated in some other way for the energy resulting in accepted use of HTR EAC data and if so, how
The point at which HTR data should be separated from other PARMS data when calculating SP08a Supplier Charges
The route that HTR data should take from source to end user and how HTR data is communicated between Parties
Should there be additional reporting of HTR sites in relation to PARMS
Are EAC/AA applicable for HTR sites when entering data into settlement
Other industry wide projects that may impact on P366 or be impacted by P366
Precedence set by other industry wide projects e.g. smart Meter roll out
What changes are needed to BSC documents, systems and processes to support P366 and what are the related costs and lead times
Are there any Alternative Modifications
Should P366 be progressed as a Self-Governance Modification
Does P366 better facilitate the Applicable BSC Objectives than the current baseline

278/04

P366  
Initial Written Assessment

3 May 2018

Version 1.0

Page 11 of 18

© ELEXON Limited 2018

## 4 Proposed Progression

### Next steps

We recommend that P366 is progressed to a six month Assessment Procedure for consideration by a Workgroup. For rationale behind this recommendation, please see the timetable section below.

### Self Governance

This Modification should not be progressed as a Self-Governance Modification and should instead be presented to the Authority for decision, as implementing the Proposal will have a material impact as follows:

- Consumers will not be subject to pass through costs and will continue to have a choice of Suppliers;
- Small Suppliers will not struggle to compete in the non-domestic I&C market; and
- Large Suppliers with a diverse portfolio of clients to 'hide' their HTR sites in the 3% tolerance to avoid SP08a Supplier Charges, this is something not afforded to small Suppliers and so implementation will lead to more equalisation between large and small Suppliers

### Workgroup membership

We recommend that P366 Workgroup members have knowledge of the following areas:

- PARMS serials and functionality, including Supplier Charges;
- Meter reading, collection and reporting;
- Settlement calculations and processes;
- Party Agents and BSC Agents;
- The Performance Assurance Framework; and
- Understanding of the Data Transfer Network.

### Timetable

We recommend that P366 undergoes a six month Assessment procedure, with the Assessment Report being presented to the Panel at its meeting on 8 November 2018. However, if the solution develops such that further analysis or solution development is required (e.g. the Workgroup is developing several solutions and/or want to understand the costs and impacts in deciding which to progress) an extension to the Assessment Procedure will be needed. Conversely, if P366 progresses quicker than anticipated, we will seek to bring the Assessment Report back to an earlier Panel meeting.

The proposed timetable provides for development of the solution and completion of any supporting analysis required. This will include:

- Any changes required to the BSC and BSC Central Systems;



#### What is the Self-Governance Criteria?

A Modification that, if implemented:

(a) is unlikely to have a material effect on:  
(i) existing or future electricity consumers; and  
(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and  
(iii) the operation of the national electricity transmission system; and  
(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and  
(v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

---

278/04

P366  
Initial Written Assessment

---

3 May 2018

---

Version 1.0

---

Page 12 of 18

---

© ELEXON Limited 2018

- Development of legal text and business requirements; and
- The progression of other Modifications in Assessment Procedure.

Proposed Progression Timetable for P366	
Event	Date
Present Initial Written Assessment to Panel	10 May 2018
Workgroup Meeting	W/B 4 Jun 18
Workgroup Meeting	W/B 2 Jul 18
Service Provider Impact Assessment	16 Jul 18 – 27 Jul 18
Workgroup Meeting	W/B 6 Aug 18
Assessment Procedure Consultation	4 Sep 18 – 24 Sep 18
Workgroup Meeting	W/B 1 Oct 18
Present Assessment Report to Panel	8 Nov 18
Report Phase Consultation	14 Nov 18 – 28 Nov 18
Present Draft Modification Report to Panel	13 Dec 18
Issue Final Modification Report to Authority	21 Dec 18

278/04

P366  
Initial Written Assessment

3 May 2018

Version 1.0

Page 13 of 18

© ELEXON Limited 2018

## 5 Likely Impacts

### Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
Suppliers	Will need to put in place a process to identify HTR sites and then apply for, and provide evidence for, HTR status; inform NHHDCs of Metering Systems at HTR sites (HTR Metering Systems)
NHHDCs	Will need to receive notification of HTR Metering Systems from Suppliers. Will need to test and deploy amended EAC/AA software and amend processes.
NHHDAs	Will need to test and deploy amended NHHDA software

### Impact on Transmission Company

There will be no impact on the Transmission Company

### Impact on BSCCo

Area of ELEXON	Potential Impact
Customer Operations	Could impact collation of performance reports
Settlement Operations	Will need to amend the Supplier Charges report presented to the PAB
To be determined	ELEXON will need assign resources to assess applications for HTR status and make recommendations to Panel

### Impact on BSC Systems and processes

BSC System/Process	Potential Impact
EAC/AA	Amend to allow flagging of the relevant EACs as 'Default EACs for Metering Systems at HTR sites' in the data sent to NHHDAs ("HTR EACs")
FAA	No impact
NHHDA	Amend to receive flagged HTR EACs from NHHDCs and calculate "SPM Total HTR EAC MSID Count" and "SPM Total HTR EAC" in addition to the (unchanged) "SPM Total EAC MSID Count" and "SPM Total EAC" for issue to SVAA.
PARMS	Will need to be amended to allow for HTR data
SVAA	Will need to be amended to allow for HTR data
Data Marshalling	Will need to be amended to allow for HTR data

278/04

P366  
Initial Written Assessment

3 May 2018

Version 1.0

Page 14 of 18

© ELEXON Limited 2018

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
CGI as Application Maintenance and Development (AMD) service provider	Will need to develop and test changes to EAC/AA, NHHDA, SVAA, Data Marshalling and PARMS software systems to deal with new data flows
CGI as BSC Systems Operator	Will need to test and operate the amended SVAA, Data Marshalling and PARMS software systems

Impact on Code	
Code Section	Potential Impact
Section S and Annex S-1	Text will require amendment

Impact on Code Subsidiary Documents	
CSD	Potential Impact
<a href="#">BSCP536 'Supplier Charges'</a>	Text will require amendment

Impact on other Configurable Items	
Configurable Item	Potential Impact
SVA Data Catalogue	Text will require amendment
NHHDA and EAC/AA URS and software documentation	Text will require amendment

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Data Transfer Services Agreement	DTC will require a change to allow for HTR data transfer

**Impact on a Significant Code Review (SCR) or other significant industry change projects**

We do not believe this Modification will impact any open SCR.

We have requested that P366 be exempt from the SCR process.

Ofgem was notified on 26 April 2018 that P366 was raised on 26 April 2018 and that it is ELEXON's view that this Modification should be a SCR Exempt Modification Proposal.

**Impact on Consumers**

The proposer believes that not implementing P366 will reduce consumer choice as smaller suppliers will not be able to compete in the I+C market and will retire.

## 6 Recommendations

We invite the Panel to:

- **AGREE** that P366 progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the P366 Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.

---

278/04

P366  
Initial Written Assessment

---

3 May 2018

---

Version 1.0

---

Page 16 of 18

---

© ELEXON Limited 2018

## Appendix 1: Glossary & References

### Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
AMD	Application Maintenance and Development
BSC	Balance and Settlement Code
BSCCo	BSC Company
BUSRRs	Business Unit Settlement Risk Ratings
CGI	BSC Service Provider
CSD	Code Subsidiary Document
DA	Data Aggregator
DC	Data Collector
DTC	Data Transfer Catalogue
EAC	Estimated Annual Consumption
EFR	Error and Failure Resolution
FAA	Funds Administration Agent
GSP	Grid Supply Point
HTR	Hard-to-read
IWA	Initial Written Assessment
MRASCo	Master Registration Agreement Service Company
MSID	Metering System Identifier
NHH	Non Half Hourly
NHHDA	Non Half Hourly Data Aggregator
NHHDC	Non Half Hourly Data collector
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PARMS	Performance Assurance Reporting and Monitoring System
PAT	Performance Assurance Technique
SCR	Significant Code Review
SMRS	Supplier Meter Registration Service
SPM	Supplier Purchase Matrix
SVAA	Supplier Volume Allocation Agent
URS	User Requirement Specifications
VAR	Volume Allocation Run

---

278/04

P366  
Initial Written Assessment

---

3 May 2018

Version 1.0

---

Page 17 of 18

© ELEXON Limited 2018

## DTC data flows and data items

DTC data flows and data items referenced in this document are listed in the table below.

DTC Data Flows and Data Items	
Number	Name
D0010	Meter Readings
D0041	Supplier Purchase Matrix Data File

## External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	BSC Section s, Annex S-1	<a href="https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/">https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/</a>
3	Description of PARMS	<a href="https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/parms/">https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/parms/</a>
3	Description of BUSRRs	<a href="https://www.elexon.co.uk/guidance-note/business-unit-settlement-risk-ratings-busrrs/">https://www.elexon.co.uk/guidance-note/business-unit-settlement-risk-ratings-busrrs/</a>
14	BSCP536 'Supplier charges'	<a href="https://www.elexon.co.uk/bsc-and-codes/bsc-related-documents/bscps/?show=all">https://www.elexon.co.uk/bsc-and-codes/bsc-related-documents/bscps/?show=all</a>