

P379 MEETING 6 AND 7 SUMMARY

MEETING NAME	P379 Workgroup Meeting
Meeting number	6 and 7
Date of meeting	23 and 24 July 2019
Venue	ELEXON Ltd, 4th Floor, 350 Euston Road, London, NW1 3AW
Classification	Public

MEETING SUMMARY

1. Meeting Objectives

- 1.1 The purpose of our meetings was to discuss:
- The P379 process models;
 - The Party agent role; and
 - P379 Metering arrangements – Interaction with P375

Workgroup Meeting 6 – Tuesday 23 July 2019

2. Process Models

- 2.1 ELEXON provided an overview of the Proposed and Alternative P379 process models and noted the below key points:
- The models will build on existing processes. P379 is extending current arrangements so they can be used behind the meter without the need to agree to use the same agents.
- 2.2 The proposed model;
- Builds on capabilities and data flows being developed for P344 (TERRE)
 - Uses BSC central systems to perform the meter splitting calculations and deconflicting
 - Does not require any interaction between Parties operating at a premises
- 2.3 The alternative model;
- Decentralises calculations and deconflicting (following discussion the workgroup deemed that the Primary Supplier's HHDC is the most sensible location)
 - Requires the transfer of data directly between a Secondary Supplier and another entity operating at the meter point
 - Requires the entity performing calculations to be compelled to carry out the calculations without a contract
 - Places the onus on a customer's Primary Supplier to ensure meter splitting is carried out correctly
- 2.4 The Workgroup (WG) asked the below questions on customer billing:
- How quickly can customer billing take place under P379?
 - How many days can the reads be used ahead of time?

P379 MEETING 6 AND 7 SUMMARY

- 2.5 A WG Member was of the view that reads from assets behind the meter need to be available to the customer's Primary Supplier in real time to provide good customer service, meet Guaranteed Standards of Performance (GSOP) regulations and be in line with the smart solution. Where secondary supply is based on percentage or fixed volumes the Secondary Supplier volumes are likely to be reported by gate closure and Primary Suppliers will get the data directly. The process is different for behind the meter assets as the reads are retrieved after the event. Suppliers believed reads for assets behind the meter would be needed as soon as possible to support billing and customer queries. ELEXON believed reads should be achievable within 1 day.
- 2.6 Members queried that the processes for getting reads from the Boundary Meter and behind the Meter should not work differently. If Primary and Secondary Supplier reads are not received at the same time, the Secondary Supplier reads may have to be deemed. The aim is to ensure accurate billing, avoid disputes and flex the current Settlement model. The general expectation is that half-hourly data will be available, improving the quality and availability of data compared to the current system.
- 2.7 Although behind the Meter arrangements are already included the current Shared Metering Arrangements, they only apply through agreements agreed in advance between primary and secondary suppliers and where the secondary supplier agrees to use the primary supplier's agents.
- 2.8 The WG believed consulting on how quickly Primary Suppliers need information about Secondary Supplier volumes would be sensible.
- 2.9 Members considered who could perform the CNA function. The CNA function is likely only to involve determining volumes in a fixed volume or percentage of meter read based supply scenario, with the rest of the functions to facilitate meter splitting carried out by other parties.
- 2.10 It was noted that existing HHDCs could perform the splitting of volumes at the Boundary Meter and Behind the Meter, as they are likely to already have processes in place to facilitate meter splitting for Shared SVA Metering arrangements. This can be passed to the HHDA and the Primary Supplier gets the adjusted volumes for billing.
- 2.11 The Proposer believes the secondary supplier should be able to choose the agent that notifies volumes from the behind the meter assets. This could be the Primary Supplier's HHDC, who would then perform the calculations with the data, or it could be a different HHDC, who would then pass the data on to the entity performing the calculations.

Views on Exempt Supply

- 2.12 Members asked for clarification on the role of entities without a licence (exempt Supply). The Proposer clarified that under P379 the Secondary Supplier will be a licenced Supplier. P379 is not looking to change the existing exempt Supply licence arrangements, and making specific provisions for exempt suppliers within P379 overcomplicates the solution.
- 2.13 Exempt suppliers will still be able to participate in the markets by operating within the portfolio of a licensed supplier, in the same way they currently access markets.

3. Interactive Session looking Proposed and Alternative Models

- 3.1 To help with the further development of the P379 solution the WG was split into several groups to:
- discuss the process flow diagrams for the proposed and alternative solutions
 - write up comments or concerns on the process flow diagrams
 - Point out key priority areas within the process
- 3.2 The below feedback was provided on the Proposed Models:

P379 MEETING 6 AND 7 SUMMARY

Proposed Model

1. Clarify who know WHO, WHAT, WHERE and WHEN?

Timing could be problematic

- The Primary Supplier should have enough information to bill the customer
- When will the Primary Supplier receive actual volumes from the Secondary Supplier?
- Interaction with customer billing - Timing of notifications and how they are tied into billing
- Information disclosure – Who has the right to know customer information
- Whose HHDA/DC is passing on information? – Primary /Secondary
- Where does the HHDC send data for calculation?
- If behind the Meter it must be HHDC passing information
- The solution should clarify what data is passed to the Primary Supplier
- At what point will conflict resolution take place?
- The Primary Supplier should not accept any liability for the Secondary Supplier
- The Model should have the least impact on the Primary Supplier systems

2. Change of Supply (CoS)

- ELEXON to draw up COS process in both Proposed and Alternative models
- Process to ensure no overlap of supply
- Process on obligation to register a meter

3. Erroneous Transfers

- The Erroneous Transfers process for Secondary Suppliers should be developed as part of the P379 solution.
- There is a clear need to address what happens when something goes wrong for Parties

4. What happens where Supply Of Last Resort (SOLR) takes place?

5. Registration of data

- Clarify relationships between MSIDs and Suppliers
- In the alternative model data is to held by HHDC
- Volumes would be transferable at MSID level, publicly volumes will be seen by GSP group
- Will there be a CNA per MPAN or per Secondary Supplier
- This should be done centrally to avoid conflicts

6. Estimates

- There needs to be a defaulting arrangement for behind the Meter
- The Primary Supplier will need to know characteristics of Secondary Supplier to be able to provide estimation
 - Does the Primary Supplier need to know what else is being supplied at the address?

P379 MEETING 6 AND 7 SUMMARY

7. Which BM Unit is being notified <ul style="list-style-type: none">• How much volume is supplied on a Secondary and Primary basis
8. Data flows <ul style="list-style-type: none">• Clearly show the flow of data between Parties• What information will be in the data flow• When the data will be passed to Parties• Show what Parties are responsible for which data flow.
9. More disputes are likely with the fixed volumes than percentages
10. There needs to be assurance on the data exchanged between Parties <ul style="list-style-type: none">• There is a need to understand information flow between Parties.• If information flow is not accurate there could be a liability to the Primary Supplier
Alternative Model
1. There is risk of Erroneous data <ul style="list-style-type: none">• Risk of incorrect asset ID's being submitted
2. Conflict of interest <ul style="list-style-type: none">• No contract between Primary Supplier HHDC and Secondary Supplier HHDC• The alternative to having a contract is placing an obligation in the BSC – but it could be on the Primary Supplier only. Obligations should be on both the Primary and Secondary Supplier.• There should be an HHDC for asset based Supply
3. On allocated Volume validation processes allows conflicts to be identified quicker
4. The role of the CNA is thin- could this be done by the Secondary Supplier
5. What are the associated costs for the Primary Supplier
6. What happens if lead agent goes bankrupt?
7. Termination flows process should be clarified
8. Clarification on Time of Use
9. How does the HHDC perform the calculations access information – what permissions do they have?
10. What variations on meter splitting are allowed in this model?
11. Can a BSC Central Service still maintain registration data?
12. Could this model lead to less competition due to challenges with the Change of Agent process?
13. There are few data handoffs in this model
14. Could lead to quicker conflict resolution
15. DC would be aware of MOP can could communicate problems more easily

P379 MEETING 6 AND 7 SUMMARY

Workgroup Meeting 7 Wednesday 24 July 2019

4. P379 Settlement process overview

- 4.1 Given discussions during the WG6 workshop session ELEXON put together a diagram showing a simplified overview of the P379 Settlement process (available in the slides on the WG7 event page). The WG agreed that the process diagram captures all functions of meter splitting to take place under P379.
- 4.2 The WG noted the below points:
- The HHDC calculating is a disadvantage as the Primary Supplier is paying for the calculation.
 - Is everything behind the meter going to be metered? If there is an asset YES and if no asset NO. This part of the process will be clarified through the P375 solution.
- 4.3 ELEXON took away the following actions relating to the functional diagram:
- Add Parties to each of the functions, as they have been suggested in the proposed and alternative models
 - Add timings to each step for each of the proposed and alternative models
 - Add details on data flows, including where existing data flows are used and where new data flows need to be developed
 - Develop pros and cons for each of the proposed and alternative models
- 4.4 The WG suggested the below criteria for evaluating the Models:
- 1) Risk of error
 - 2) Simplicity
 - 3) Barrier to entry
 - 4) Implementation timescales
 - 5) Cost reflectivity (who pays for what)
 - 6) Openness to future developments – Should be future enabled
 - 7) Impact to Supplier systems
 - 8) Cost benefit – Which solution would be cheaper to implement
 - 9) Deconfliction of interest
 - 10) Consistency with defect
 - 11) Consistency with industry changes
 - 12) Consumer impact

5. Metering

- 5.1 ELEXON provided an update of the P375 Modification which is looking at behind the meter devices. Both P375 and P379 involve metering systems installed behind the Boundary Point. The Workgroup noted the following
- Several options are being considered for the P375 solution.

P379 MEETING 6 AND 7 SUMMARY

- **A member questioned whether the Metering Code of Practices (CoPs) are in line with SMETS.** It was explained that SMETS is excluded from the COPs but is referenced in COP10. ELEXON took an action to clarify COP interaction with SMETS.

Post Meeting Note: Acton closed – The below link on guidance on compliance with the CoPs when using a SMETS meter was circulated to the WG on 24 July 2019.

<https://www.elexon.co.uk/guidance-note/smart-metering-compliance-bsc-codes-practice/>

- **Commissioning** - Currently meters go through the commissioning process to ensure data retrieval. This is being considered under P375.
 - There needs to be clarification on how the P375 solution relates to the domestic use cases previously discussed under P379.
 - There should be interoperability allowing flexible switching of Secondary Supplier.
 - P375 should ensure accuracy of data for Settlement purposes.
 - **There should be a recognised standard for behind the meter measurement devices to avoid risk of incorrect data.** The group asked whether any testing on devices has been done under P375. It was noted that P375 should consult on standards. Meters used for billing should be accurate. The solution should look at billing and settlement requirements and also at the Secondary Supplier's ability to bill the customer.
 - **Members questioned whether there could be conflict between the P375 and P379 solutions.** The P375 Workgroup is to carry out more research on what's included or excluded from the solution and also test against existing devices. Ofgem volunteered to provide contacts of an EV Workgroup to help with further work on P375.
 - **Implementation timescales** - The Workgroup questioned how the Project TERRE derogation impacts P375 and P379 implementation timescales and also if the P375 timescales are likely to impact P379. It was explained that P379 could reference the P375 approved solution. P375 should be approved but does not need to be implemented to be included in the P379 solution.
 - While the behind the meter asset solution will be delivered under P375, P379 will reference the P375 behind the meter process if P375 is approved before P379 is submitted to the Panel. If P379 is submitted to the Panel before P375 is approved then P379 will need to duplicate the P375 solution.
- 5.2 The Workgroup agreed in principle that the P375 solution, subject to ensuring it adequately caters for domestic use cases, would be suitable to use for the provision of metered data for assets installed behind the Boundary Point Meter.

6. Availability of data

- 6.1 The P379 solution could require the reporting of data on Secondary Supplier usage. The Primary Supplier will need to have Secondary Supplier volumes to bill the customer accurately. ELEXON asked whether there is value in publicly reporting volumes provided by Secondary Suppliers. The Workgroup agreed that Secondary Supplier volumes should be reported. It's useful to know the split of volumes between the Primary and Secondary Suppliers. This could be a question for the P379 consultation.
- 6.2 Volumes could be seen per BM Unit. If export/Import then this will be reported at national/regional level. BM Units could be published but not the counts. It was agreed that data should be reported where available and

P379 MEETING 6 AND 7 SUMMARY

should mirror existing reporting as a principle. Ofgem advised that reporting should protect confidentiality and not reveal commercial arrangements. The Workgroup agreed the below on reporting data:

- It should be in Total MPANs
- Done by Market Share
- It should be clarified whether this will be monthly or quarterly.
- Individual or aggregated
- There could be reporting obligations on Parties
- This could be consulted on.

7. Change of Occupier

- 7.1 The Workgroup considered whether there should be a notification process for when a customer moves property and if one Supplier can identify change of tenancy and inform other Parties. The group noted the below points:
- There should be a notification process to avoid deemed contracts with Secondary Suppliers. The notification could only include end of tenancy date and not the customer details. There is a risk of the Primary Supplier not finding out about change of tenancy.
- 7.2 A member asked to what extent Secondary Supplier can change supplied volumes. Is retrospective correction permitted? It was noted that the customer is less likely to pay a retrospective bill. The Secondary Supplier is responsible for settling the bill with the previous customer as they have supply until end of contract. The Secondary Supplier should act in accordance with the customer contract.
- 7.3 The solution should clarify how notifications are to be carried out for both static and moving assets. Answering the below question:
- Legally would the Secondary Supplier be able to continue with the new customer?
 - Can the contract move with the customer?
 - Is the contract tied at the point of connection?
- 7.4 As with existing processes the customer is responsible for notifying change of tenancy. However the Secondary Supplier is responsible for either cancelling their own contracts or porting contracts to the customer's new premises, and would not be able to charge the new tenants under a deemed contract. This puts the onus on the Secondary Supplier to cancel their notifications for the premises due to a change of tenant, otherwise they will be settled for energy that they cannot bill for.
- 7.5 The Workgroup need to determine whether the Primary Supplier should know the Secondary Supplier as this has not yet been agreed. This will be discussed as part of roles and responsibilities on WHO does WHAT and WHEN. This should include legal views on competition issues as well as GDPR.

8. Any Other Business

- 8.1 The Workgroup agreed it may be sensible to consult on model options before going out for the full solution consultation

Metering

- 8.2 A member asked why the P375 metering solution needs to be specified in any way. There should be a clear governance process for behind the Meter arrangements providing assurance that the meter advances are

P379 MEETING 6 AND 7 SUMMARY

correct. ELEXON took an action to carry out further investigation on behind the meter devices and the governance around the process.

9. Next Steps

9.1 The next WG meeting will be held on 13 August 2019 at ELEXON Offices.

9.2 The purpose is for the WG:

- To go through a more detailed process of P379 models.
- For ELEXON to provide an FAQ report on P379 – this will cover questions raised at previous meetings.
- Discuss P379 Performance Assurance.