

4.7 Issue Form

Issue Form - BSCP40/04	Issue Number 84 <i>(mandatory by BSCCo)</i>
Issue Title <i>(Mandatory by originator)</i> Enable the cost recovery of the Radio Teleswitch Service (RTS) arrangements extension.	
Issue Description <i>(Mandatory by originator)</i> <p>Industry discussions identified that the full range of Smart meter variants were not yet available to support the replacement of Load Switching devices, which we understand is used primarily by Suppliers to switch between registers on Meters. Therefore, the RTS arrangements are still required for a further time period beyond the current planned March 2020 end date for the RTS service. To support industry, Energy UK engaged with the Energy Networks Association (ENA) to discuss the extension of the RTS contract with the BBC.</p> <p>A contract extension for RTS has been agreed and signed by ENA with the BBC, that will apply from 1 April 2020 to 31 March 2021 and hence extend the availability of the RTS service over this time. Two network companies will contribute costs to the RTS extension with the remainder of the costs being recovered from Suppliers.</p> <p>As part of the Energy UK discussions with the Supplier community, four options to enable the recovery of the RTS costs were put forward, with a request to respond with a preferred option. The outcome from this was presented to the Energy UK board, with agreement that a cost-recovery mechanism under the BSC should be pursued.</p> <p>Although RTS is primarily used by Suppliers we encourage other market participants involved with RTS to engage in this BSC Issue Group process.</p> <p>What is the RTS service?</p> <p>Further information about the RTS service can be found here http://www.radioteleswitch.org.uk/</p>	

Justification for Examining Issue *(Mandatory by originator)*

Whilst organisations are continuing the Smart Rollout, there is a need to extend and utilise RTS to ensure that customers on Load Switching devices can continue to be supported, until a Smart metering solution, or alternative proposals, are available to replace this type of metering. Customers with Teleswitch metering arrangements can be gained by any Supplier.

In the event of the RTS arrangements not continuing, where there are meters that require switching by the service, there will be an impact to the Profiling Calculations from a Settlements perspective, with a subsequent impact to consumers. As such, it is viewed that the BSC is an appropriate vehicle to consider this issue for cost-recovery.

The continuation of the RTS service is further important to the end consumer as it will ensure Suppliers can continue to support bilateral contracts with their customers.

In the recent Ofgem Smart Rollout open letter¹, the provision of RTS was referenced with an expectation that Suppliers and network companies will work together to identify and develop solutions.

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

Following preliminary investigations by ELEXON, there are two potential options to take forward.

We suggest that the Issue Group may wish to consider:

- 1) Utilising the existing Radio Teleswitching Contract between the ENA and ELEXON that is already in place, to facilitate the RTS cost recovery. This contract requires/facilitates ENA to provide certain data to ELEXON and for ELEXON to pay the ENA for the data. The BSC provides for costs associated with this contract to be passed through to BSC Parties (such costs, like other ELEXON costs are allocated in accordance with the BSC). No Modification would be required for this solution; and
- 2) Raising a Modification to the BSC to introduce a requirement for the BSCCo to recover the costs of RTS under the BSC. This solution could be used if the Issue Group wished for a differing proportional cost recovery mechanism other than those currently provided for in Section D.

Therefore, an assessment is required by the Issue Group to confirm if the costs to be recovered for RTS will be:

- a) by total market share across all BSC Trading Parties;
- b) proportionately across all Suppliers; or,
- c) by RTS User market share basis (with a clear definition of what this entails).

Further, the Issue Group should acknowledge that these costs are to be paid to the ENA. Note that if option (b) or (c) is selected then a Modification would still be required for route 1 above since the allocation of costs would be different to the normal methodology.

Proposer's Details

¹https://www.ofgem.gov.uk/system/files/docs/2019/06/2019.05_open_letter_2019_smart_roll_out_plans.pdf

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4.8. Issue Form Guidelines

These guidelines are to be used to assist in the completion of the Issue Form, contained in Appendix 4.7. The guidelines state who should complete each item on the form and whether it is mandatory or optional. They also give a brief description of the information that should be given for each item. For further guidance please contact your BCA / PACA. Once completed this form should be submitted to BSCCo for inclusion on the relevant Panel Committee agenda.

- **Issue Number** –mandatory to be completed by BSCCo once the proposed issue has been received. This is a unique number.
- **Issue Title** – mandatory and is completed by the originator at the time the issue is raised. This should be unique where possible.
- **Issue Description** – mandatory and is completed by the originator. The description should include as much detail as possible of the issue being encountered.
- **Potential Solution(s)** - optional by originator – This is to be completed where the originator has potential solutions that they want to be discussed as part of a potential solution to the issue.
- **Justification for Examining Issue** – mandatory by originator – details of the business case for examining the issue. This section should also include a brief assessment of the risk associated with leaving the problem/issue unresolved, in terms of materiality and probability of occurrence.
- **Proposer's Details** – mandatory completion by originator – the name, organisation, email address and telephone number of the proposer.