

P379 MEETING 5 SUMMARY

MEETING NAME P379 Workgroup Meeting

Meeting number 5

Date of meeting 27 June 2019

Venue BMA House, Tavistock Square, Bloomsbury, London, WC1H 9JP

Classification Public

MEETING SUMMARY

1. Meeting Objectives

1.1 The purpose of our meeting was to:

- To provide BSC Panel feedback on the P379 Interim Assessment Report;
- Conclude on balance responsibility; and
- Start discussions on the notification agent role.

2. Actions Update

2.1 ELEXON provided BSC Panel feedback on the P379 Interim Report. The WG noted the below points:

- Ofgem are supportive of the P379 Modification as it encourages competition and innovation within the market.
- Ofgem are to present their views on P379 at the August Panel meeting. An update will be provided to the WG.
- Panel members questioned whether the Modification could be progressed as part of a Significant Code Review (SCR). There are two routes for SCR one which facilitates the design of a solution and the other which fascinates the design of a policy to enable a solution. Ofgem believe P379 should be able to deliver the proposed solution unless the scope becomes too big and undeliverable. The WG agreed that a broad scope is necessary to get to the preferred solution.

3. P379 Glossary

3.1 The WG noted the P379 glossary.

Interaction with P375

3.2 ELEXON explained that the P379 solution will be able to lift from some of the processes within P375 '[Metering behind the Boundary Point](#)' which is looking at metering assets behind the Boundary meter point. This will cover both commercial and domestic sites. Similar to P379, P375 was granted an extension to allow more time to develop the solution.

4. Exempt Supply Recap

4.1 ELEXON provided a recap of the last meeting discussions on exempt supply. The group noted the below key points:

- **The exempt Supplier will still need a contractual relationship with a licenced Supplier for top up energy.** This licenced supplier is not necessary the customer's Primary Supplier, but may be another

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Secondary Supplier. Ofgem confirmed that the top up Supplier will be required to bill the customer unless it is a white label supply arrangement. The customer billing arrangements need consideration. The WG considered whether provisions for exempt supply could be made within the BSC with the exempt Supply role being applied under the same model as Virtual Lead Party (VLPs). The exempt Supplier cannot have an imbalance, which is why a top up relationship is required. Even with the BSC provisions the exempt supply will not have [as much] balance responsibility as a licenced Supplier.

- **Members questioned whether licenced Suppliers can facilitate exempt Supply.** Engagement with exempt Suppliers is required to determine what currently works in the market. Also what's the incentive for the Primary Supplier to get involved in multiple Supplier arrangements. This part of the solution should also be consulted on. The Workgroup should engage with BEIS to determine the purpose of Class A exemptions and impacts to current arrangements as a result of P379.
- **Potential change to the MRA** - The WG should consider how a potential change to the MRA to allow exempt Suppliers to register their own export meters will work. How will this be reflected on the BM unit. Work on faster switching should also be considered.
- **The Proposer wants the solution to work for Exempt Suppliers.** P379 is providing a different option to the market. Specific exempt Supplier provisions could be added to the solution, however the benefits for such arrangements are not clear. The key is the mechanism for how the notifications and payment process works. Engagements with a wider range of industry participants is required to determine how the P379 solution could work for them.

ACTION 1

The WG needs the proposer's view on how exempt Supply will work under P379.

5. Customer Notification Role (CNA)

5.1 The WG discussed the below key points for the customer notification role:

- The CNA role has to be a competitive service not centralised and should not compromise the Settlement process.
- It's important to clearly define the relationships and the notification process between the Parties involved.
- The group questioned when the Primary Supplier would need to know volumes supplied by the Secondary Supplier and whether this will be before or after the settlement period. Also if the notification agent should work on behalf of the Secondary Supplier, with one agent for each Secondary Supplier? The granularity of data needs consideration. ELEXON is to draw models to show options for the flow of data between the different Parties.

6. Agent Responsibilities

6.1 The WG discussed the below on agent responsibilities:

- **Whether the CNA could bill the customer?** The CNA could bill the customer under commercial not BSC arrangements.
- **Are the proposed arrangements optional/ mandatory?** If optional this will restrict competition. If mandatory costs have potential to outweigh the benefits. Suppliers will spend a lot of money to facilitate the change. The Workgroup should consult on whether the arrangements should be optional or mandatory and also potential costs for Suppliers.
- The notification process should focus on what is required, by whom, and what data is implicated.
- The WG is to consider how the Change of Supplier (CoS) process will work. The CoS process will be added to the meeting plan for further consideration.

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7. Conflicts

- 7.1 ELEXON presented possible options for resolving notification conflict under multiple Supplier arrangements. Looking at what would happen if conflicting information is submitted by different notification agents for the same premises. The Workgroup noted the following points:
- Conflict resolution depends on where the conflict takes place and who has the responsibility for resolving it. The preferred solution should not constrain innovation. The solution should be more open.
 - Where customer involvement is required a certain degree of guidance would be helpful. The key is not to overcomplicate the process for customers.
 - There is risk of mis-selling and related customer protection issues. The WG should seek Citizens Advice view on customer protection.
 - The conflict and resolution process should have some form of backstop arrangement.
 - All existing options could result in unfair and inaccurate volumes being allocated. Also any metered assets should have their volumes assigned based on those metered volumes.

The WG needs the Proposer's views on the proposed options for dealing with conflict.

ACTION 2

8. Notification

- 8.1 The WG considered the CNA notifications format and when notifications should take place. There will need be an initial notification beforehand at MPAN level. The WG is to consider what notifications from the CNA to SVAA contain, depending on solution.

9. Progression Plan

- 9.1 The WG noted the progression plan approved at the June BSC Panel meeting.

10. Next Steps

- 10.1 The next WG meeting is proposed for July 2019. The purpose is to continue discussions on the Party Agent Role.
- 10.2 The next meeting dates will be confirmed this week.
- 10.3 ELEXON will develop an alternative business architecture for delivering the solution, to be discussed at the next workgroup meeting.