Public

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Today's passcode: Westminster

Issue 85 "Removal of BSCP504 obligation on the NHHDC to visit de-energised sites once every 12 months"

Workgroup 1

30 October 2019
TMA and ELEXON

Health & Safety

In case of an emergency

An alarm will sound to alert you. The alarm is tested for fifteen seconds every Wednesday at 9.20am

Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.

Agenda & Meeting Objectives

1. BSC Issue Process
2. Background of Issue 85
3. Risk Analysis
4. Comparing the process for the Half Hourly market
5. Potential Solutions
6. Next Steps
7. Any other business

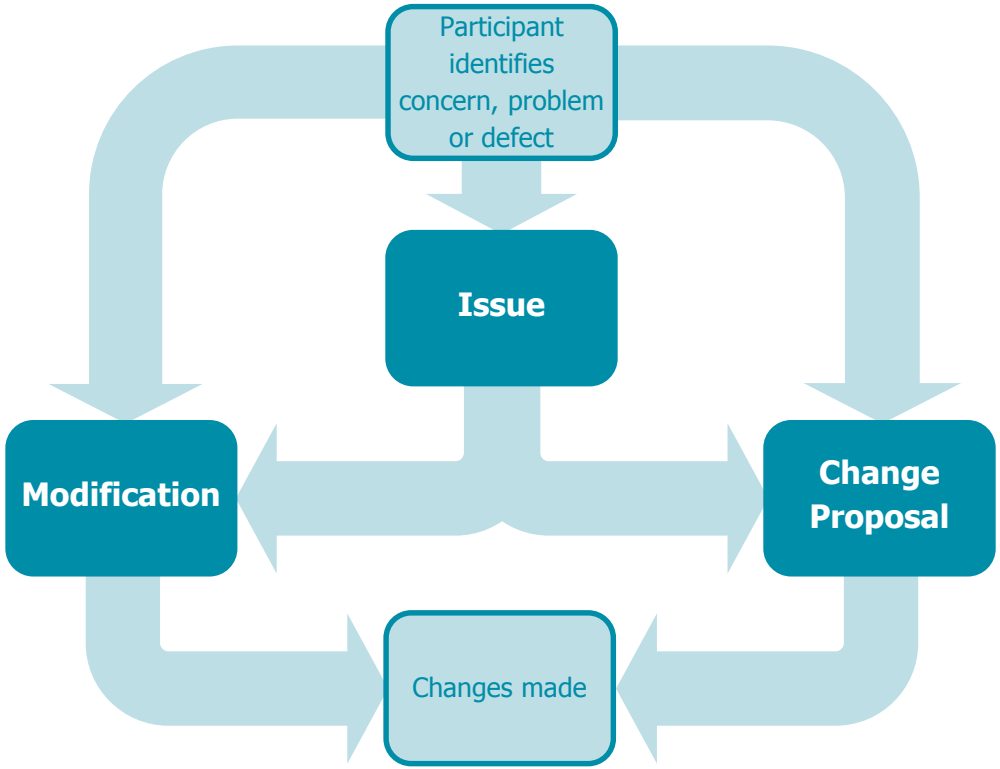
BSC Issue Process

Danielle Pettitt
Lead Analyst

ELEXON

BSC Change Process

		Will my solution amend the BSC?	
		Yes	**No**
Do I have a clear solution?	**Yes**	Modification	CP
	No	Issue	Issue



BSC Issue Process

- Raised if participant wants to discuss an issue or concern;
- Issue Group convened to discuss the Issue;
- More of an informal, ad-hoc approach;
- Group will consider any ways forward;
  - e.g. solution (any BSC Party can take forward the outcomes of an Issue e.g. BSC Modifications), extra guidance, no change
- We will prepare a final Issue report for the BSC Panel.

Background to Issue 85

Claire Henderson

ELEXON

Issue 85 background

- During the Market Audit 2018-2019, an audit issue was raised against TMA for not visiting 11 out of the 25 sample de-energised sites, in breach of obligation 3.4.1.1 note 99 of BSCP504v43 “Where a SVA MS is de-energised the NHHDC shall make visits to the site concerned every 12 months” Originally this obligation only applied to sites where no remote communication was available. The specific reference was removed by CP1019 ‘Clarification of Pre-Payment Meter reading Obligations’ in 2005.
- The non compliances were due to a lack of Data Retrieval contract in place with Suppliers.
- The obligation for regular site visits was removed from the Supplier Licence obligations in 2016 by Ofgem as the Authority, because other obligations, such as LC 21b.4 would prompt the Supplier to use a risk based approach to ensure that sites are visited regularly enough to avoid health and safety issues.

Issue 85

- TMA understands that the BSC does not intervene in contractual issues between Suppliers and their agents.
- TMA fully supports the performance assurance process to ensure accuracy of the data entered into settlement.
- TMA would like to remove this obligation from BSCP504 on two counts:
  - The obligation is solely put on the NHHDC with no matching obligation on the Supplier leaving party agents exposed to non compliance.
  - The ability of the NHHDC to comply with this obligation is greatly impaired by accessibility to de-energised sites, pointing to the fact that this obligation is not the best way to ensure data accuracy from de-energised sites (numbers shown in the following slides).

Issue 85 in numbers

TMA ran the Audit extract last week and found that less than 0.1% of its portfolio was live de-energised appointments.

Category	Percentage of live de-energised appointments	Percentage of portfolio
Live de-energised appointments	100%	0.098%
No live meter details**	47.08%	0.046%
Disconnected	39.83%	0.039%
To be visited***	13.09%	0.012%
To be visited without DR contract in place****	3.57%	0.003%

** MPAN de-energised, no live MTD

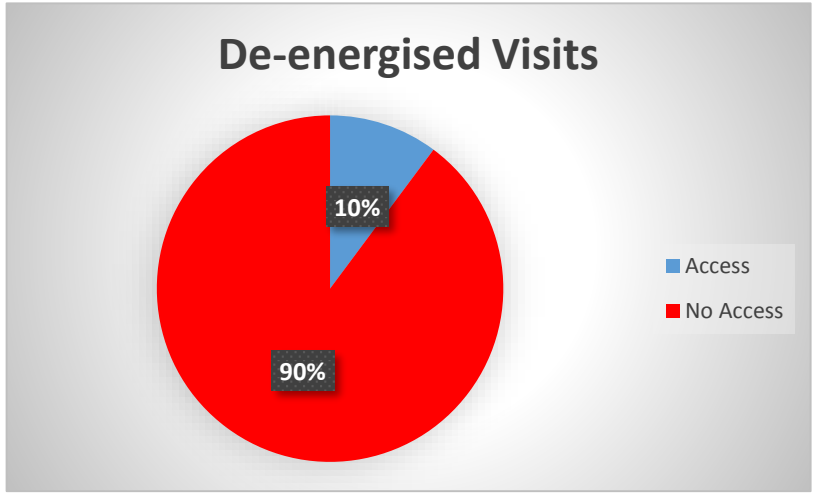
***MPANS de-energised and with live meter details on file.

****Subset of the “to be visited” category

Issue 85 in numbers

Looking at access rate for de-energised to be visited sites in the past 14 months:

Access	No Access
10%	90%
0.0006% of portfolio	0.0053% of portfolio



From the de-energised sites accessed, 72% were found to be truly de-energised. 28% were found to have consumption, that is less than 0.17% of the de-energised sites and less than 0.0002% of our portfolio.

Issue 85 Summary

Summary: less than 0.1% of the MPANS are de-energised

Out of that 0.1% , 13.09% can be visited. 90% of the visited sites result in no access.

The 10% that can be accessed are 72% truly de-energised and do not record consumption; 28% were found to record consumption. The 28% represent less than 0.17% of the de-energised sites and 0.0002% of our portfolio.

The number of MPANS with no data retrieval contract will grow with the smart meter roll out, meaning that the NHHDC agents will be more and more exposed.

Conclusion

- There is an industry wide recognition that it is not a NHHDC issue. The Market Auditors in their report for 2016/2017 raised issue 5751 stating that a root cause analysis showed the DC had not been instructed by the Supplier to perform these activities.
- The numbers show that this obligation is not the best way to ensure accuracy of data in settlement. Around 13% of the de-energised sites should be visited and the NHHDC is likely to have access to only 10% of the de-energised sites to be visited.
- We are in support of the removal of this obligation from BSCP504 and open to suggestions on the best way forward. It might include a mandatory review of long term de-energised sites to ensure that if a disconnection process is required, it is carried out, physically or logically as appropriate.

Discussion Points

- Contracts
  - When Data Collectors are appointed to the MPANs is the contract to check both energised and de-energised?

- Access
  - What are the access issues?
  - Are there any themes?
  - If there are issues with access should there still be an obligation on NHHDCs to visit de-energised sites?

Risk Analysis

Sedef Kiris and George Player

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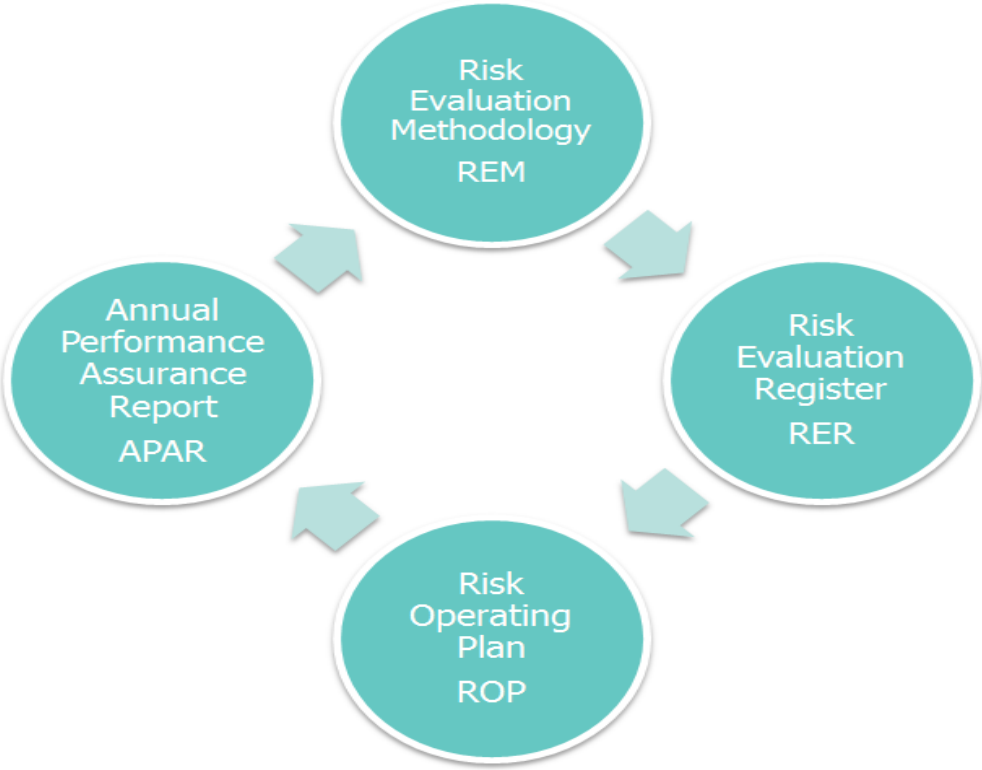
Assuring the operations of the BSC

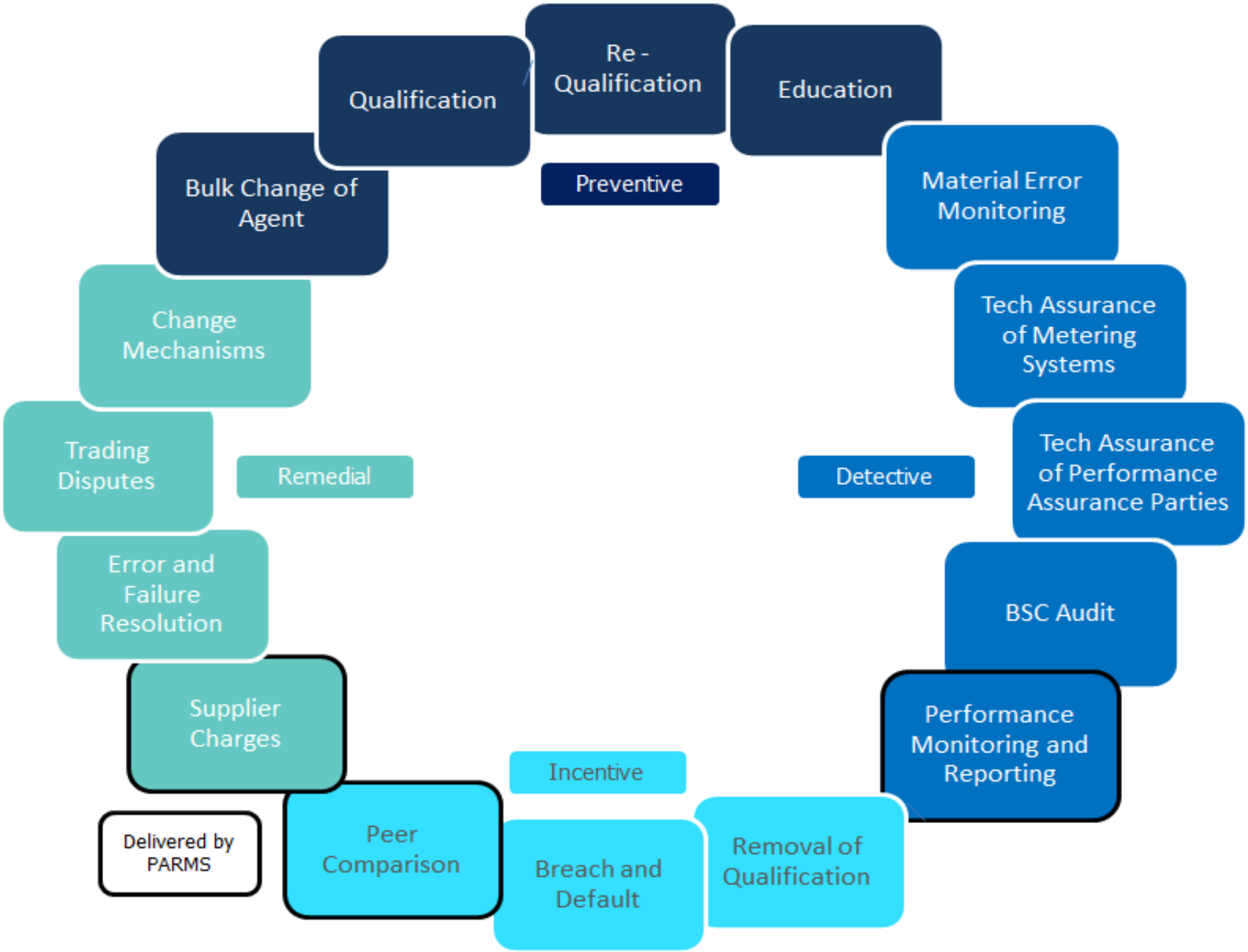
- Settlement relies on accurate and timely data being used in the calculations and processes
- Performance Assurance Board (PAB) – BSC Panel committee responsible for delivering assurance
- The **Performance Assurance Framework** manages risk introduced by non-compliance with the BSC:
  - **Risk Evaluation Methodology (REM)**
  - **Risk Evaluation Register (RER)**
  - **Risk Operating Plan (ROP)**
  - **Annual report (APAR)**



Settlement Risks - The Numbers

- **34 risks** – covering meter to bank for SVA and CVA
- **22 Risk Events** – Multi-Risk affecting Industry Issues and Problems
- **16 assurance techniques** we can use to manage risks; deployment is planned to achieve desired risk mitigation

Performance Assurance Techniques



Focussed risks

Ref	Title	Impact
003	SVA Metering Equipment is installed, programmed or maintained incorrectly including where Commissioning is performed incorrectly or not at all	£37.1m
005	A fault with SVA Metering Equipment is not resolved, such that metered data is recorded incorrectly or cannot be retrieved	£16.8m
007	SVA Metered data is not retrieved, such that the proportion of estimated data being used in Settlement contributes to performance standards not being met	£41.4m
011	Unmetered Supplies volumes are calculated incorrectly or not at all	£17.6m
013	Manual adjustments to Metered Data are not completed correctly, or at all	£14.2m
016	The energisation status held in SMRS or by any party in the Supplier Hub does not match the physical energisation status of the SVA Metering System	£15.1m
020	CVA Metering Equipment is installed, programmed or maintained incorrectly including where Commissioning is performed incorrectly or not at all	£14.0m
021	CVA Metered Data is not retrieved, or processed correctly, or at all, by the CDCA	£31.1m
023	A fault with CVA Metering Equipment is not resolved, such that Metered Data is recorded incorrectly or cannot be retrieved	£30.2m

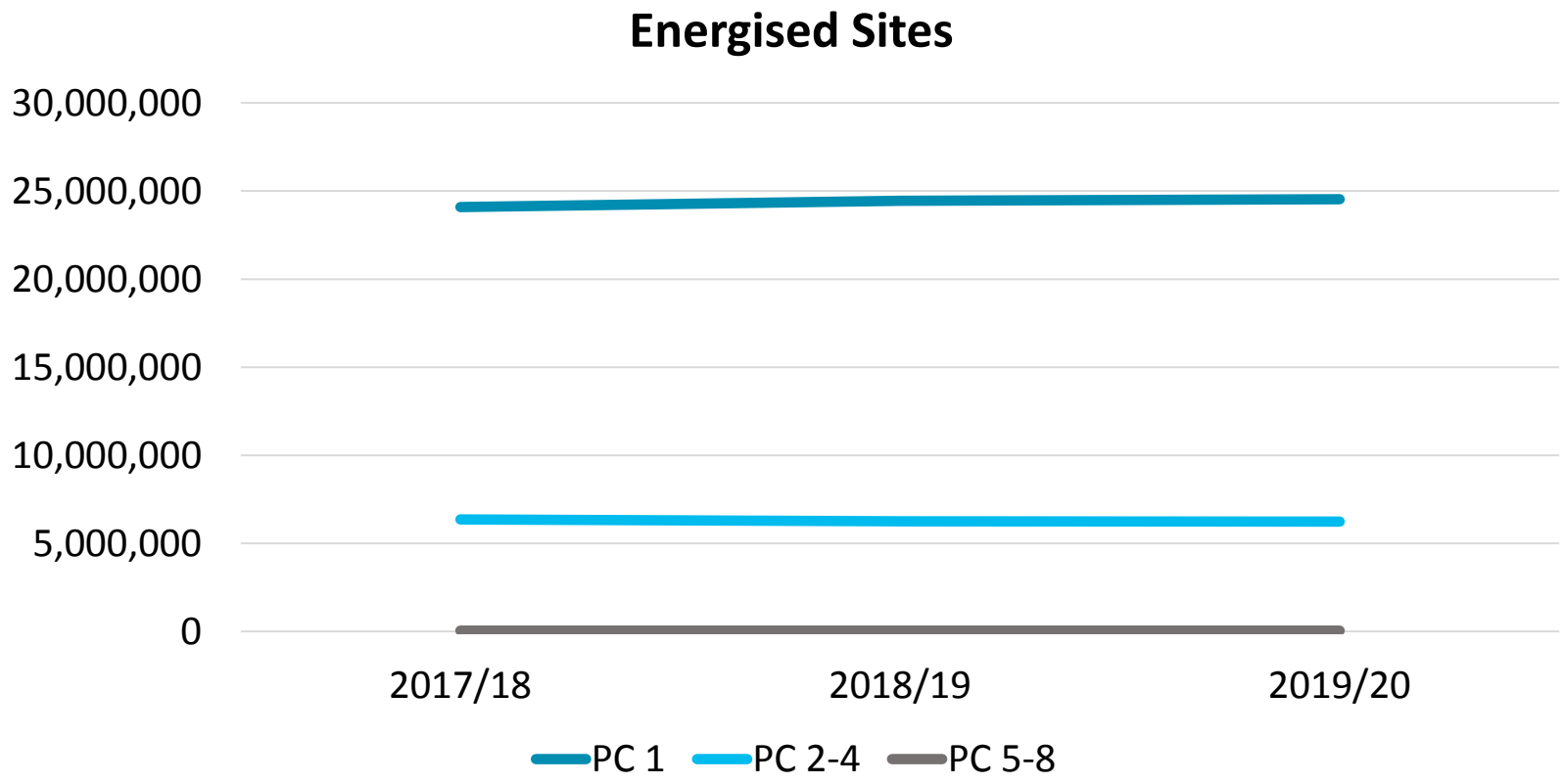
Energisation Status – Focused Risk

Lower Impact	Impact	Upper Impact	Impact band	Volatility
£1.6m	£15.1m	£39.6m	4 - Major - Potential financial impact of between £10m and £25m	High

Controls
Noted Controls
Requirement to read de-energised Metering Systems every 12 months. The Data Collector is required to perform checks to detect and correct any error such as Primary and Secondary Suppliers failing to coordinate energisation/de-energisation If NHHDA receives non-zero AAs on a de-energised site from NHHDC, it will be aggregated for Settlement Notification of disconnection (SVA) D0004 - Failure to Obtain Reading (code J0024 - SVCCs 3,4 , 9, 40 and 41) D0095 - Non Half Hourly Data Aggregation Exception Report D0204 - Selective or Full Refresh of MPAS Details D0213 - Advice from MPAS of Changed Metering Point Details D0235 - Half Hourly Data Aggregation Exception Report Safety site visit

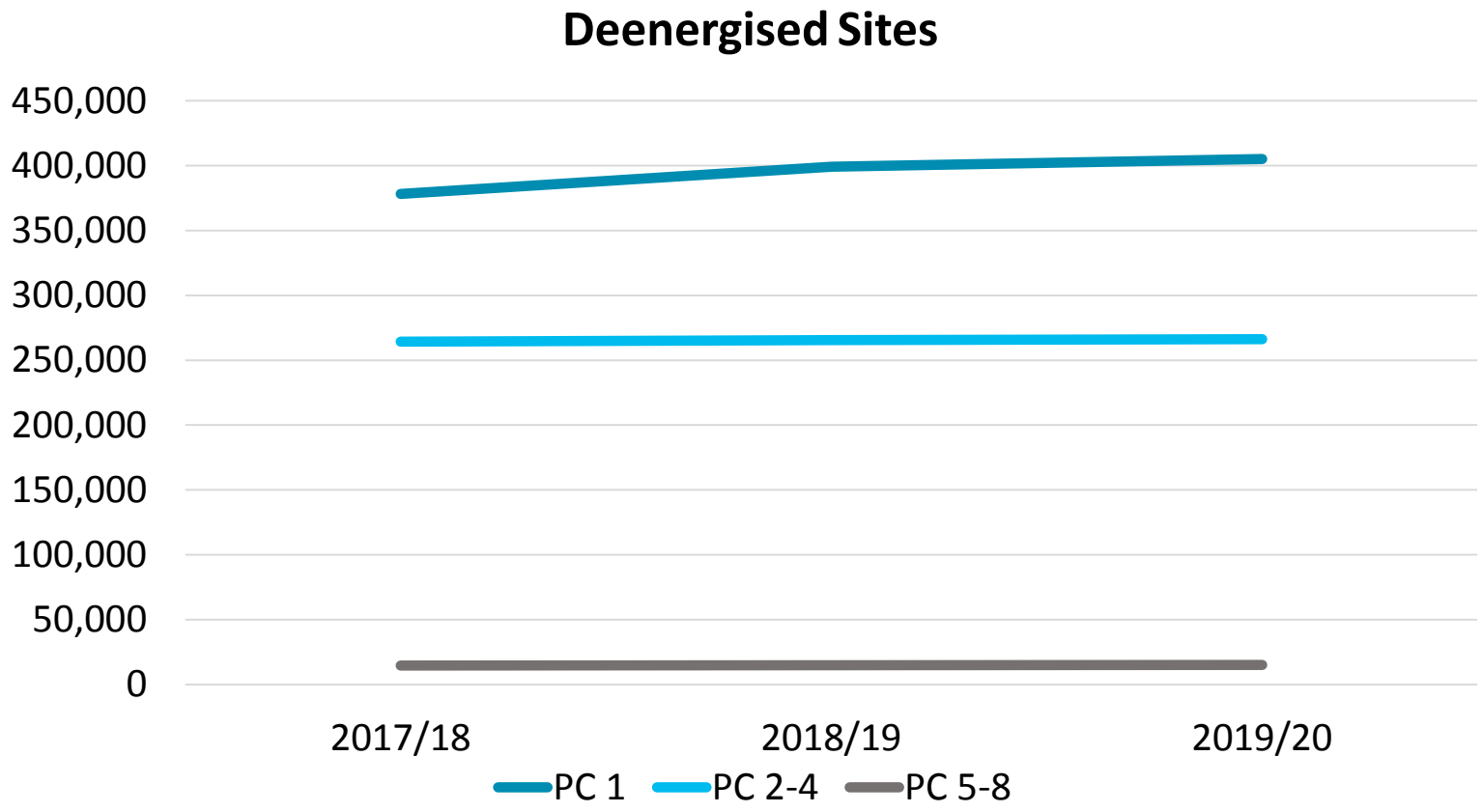
Relevant BSC and BSCP processes
BSCP502 Half Hourly Data Collection for SVA Metering Systems Registered in SMRS - 3.3.3 / 3.3.4 Energisation / De-energisation - 3.3.9 / 3.3.10 Energise / De-energise feeder - 4.1.8 Site visit checks **BSCP504 Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS** - 3.3.3 / 3.3.4 Energisation / De-energisation - 4.1 Site visit checks **BSCP514 SVA Meter Operations for Metering Systems Registered in SMRS** - 2.3 Metering obligations - 2.4 Interface to Other Party Agents and Suppliers - 5.2.2 & 6.2.2 New connection installation - 5.3 & 6.3 Metering activities - 7 Change of Measurement Class **BSCP515 Licenced Distribution** - 3.5 / 3.6 Energisation / De-energisation - 3.7 Disconnection

Energised Sites



PAOP	PC 1	PC 2-4	PC 5-8
2017/18	24,086,632	6,362,433	39,953
2018/19	24,449,140	6,251,754	36,395
2019/20	24,544,981	6,233,619	35,713

De-Energised Sites



PAOP	PC 1	PC 2-4	PC 5-8
2017/18	378,219	264,420	14,704
2018/19	399,133	265,522	14,874
2019/20	405,190	266,240	15,017

Potential further analysis?

- Total Number of Energised & de-energised MPANs will be gathered from each Distributor and Supplier in order to find out the % of De-Energised Sites when comparing with the data in ECOES/MPRS.

- Investigation on the root causes of the discrepancies between De-energised and Energised Sites

- The Energisation status held in SMRS or by any party in the Supplier Hub does not match the physical Energisation Status of the metering system. Potential Financial Impact of Energisation Status will be recalculated by feeding the latest data flow information into the analysis.

Comparing Half Hourly and Non Half Hourly Processes

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Comparing the process for Half Hourly

- BSCP502 **clearly defines** the process for HH

3.4 Collection Activities

3.4.1 HHDC collects, validates and sends consumption data for SVA Metering Systems where Half Hourly data is not sourced by the Supplier.

See section 3.4.6 for the process where the HHDC obtains data from the Supplier, processes and sends consumption data for SVA Metering Systems enrolled by the Data Communications Company (DCC).

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.1.1	As appropriate.	Collect[26] and validate HH Metered Data and check items at site.	HHDC.		Refer to Appendix 4.1, Appendix 4.2, Appendix 4.3, and where relevant Appendix 4.8.	Internal Process.
3.4.1.2	Not less than once every calendar month.	In respect of de-energised SVA MSs where communications equipment is available on site, attempt remote data collection.	HHDC.			Internal Process.
3.4.1.3	Annually.	In respect of de-energised SVA MSs which do not include communications equipment or for which the communications equipment is not functioning correctly, make a site visit to attempt data collection.	HHDC.			Internal Process.
3.4.1.4	Following visiting site and in accordance with timescales in Appendix 4.1 and 4.8.	Provide relevant reports.	HHDC.	SFIC. Supplier, MOA. Supplier, MOA and (if requested) LDSO.	Refer to Appendix 4.1 and where relevant Appendix 4.8. D0135 Report Possible Safety Problem. D0136 Report to Supplier of Possible Irregularity. D0008 Meter Advance Reconciliation Report in accordance with Appendix 4.8.	Electronic or other method, as agreed.

[26] The HHDC shall retrieve data from the Meter as soon as possible before historical data is overwritten.

Comparing the process for Half Hourly

- BSCP504 does not define NHH in the same tabular manner as the HH process

3.4 Collection Activities.

3.4.1 NHHDC collects and sends consumption / generation data.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.1.1		Metered Supply:				
		Collect Meter register reading(s)[99] for designated SVA MS(s) either directly or via Supplier.	NHHDC.		Complete Site Visit of SVA Metering System – Site Visit Report - Appendix 4.1.	Internal Process.
		Send smart Meter register readings, customer Meter register reading or prepayment Meter register reading to NHHDC.	Supplier.	NHHDC.	D0010 Meter Readings. Prepayment Meters – Appendix 4.11 Remotely Read Meters – Appendix 4.20	Electronic or other method, as agreed.
		Send customer reading(s) directly to NHHDC.	Customer.	NHHDC.	Customer Reading Details	
		Inform of possible safety problem(s).	NHHDC.	SFIC.	D0135 Report Possible Safety Problem.	Electronic or other method
		Inform of possible irregularities.	NHHDC.	Supplier	D0136 Report to Supplier of Possible Irregularity.	Electronic or other method
		Unmetered Supply:				
		Send UMS EAC	UMSO/ Supplier	SMRA	D0052 Affirmation of Metering System Settlement Details[100] D0205 Update Registration Details	Electronic or other method, as agreed.
3.4.1.2	If Meter register reading(s) unobtainable.	Add SVA MS(s) to next collection rota.	NHHDC.			Internal Process.

[99] The NHHDC will inform the Supplier if the SVA MS equipment is inadequate or that insufficient data about a SVA MS is available. The Supplier will investigate the situation and ensure that the SVA MS and the information provided are adequate. Where a SVA MS is de-energised the NHHDC shall make visits to the site concerned every 12 months. The NHHDC shall provide the latest meter readings to the LDSO for all SVA Metering Systems for which it is responsible, as soon as possible and on a regular basis.

[100] Where a D0052 Affirmation of Metering System Settlement Details, electronic or otherwise, is received from UMSO or Supplier for an Unmetered Supply, this value must be sent to the NHHDA on a D0019 Metering System EAC/AA Data for use in Settlement. The D0052 Affirmation of Metering System Settlement Details received from UMSO should be used in preference where available.

Comparing the process for Half Hourly

- Unlike BSCP504, the process for Half Hourly Data Collectors is presented in a tabular manner
- BSC Audit Issue raised against HH and NHH in relation to de-energised sites:

Half Hourly

Year	No. of Audit Issues raised
2019	0
2018	0
2017	1
2016	2

Non Half Hourly

Year	No. of Audit Issues raised
2019	2
2018	3
2017	1
2016	1

Areas for consideration

Mark De-Souza Wilson

ELEXON

Areas for Consideration

BSCP504

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED
3.4.1.1		Metered Supply: Collect Meter register reading(s)[99] for designated SVA MS(s) either directly or via Supplier.	NHHDC.		Complete Site Visit of SVA Metering System – Site Visit Report - Appendix 4.1.

- NHHDC Checks
  - readings on the meter
  - evidence of faults, damage and/or tampering
  - evidence of electricity theft
  - correctness of date/time on the meter

- Are these activities required?
  - If these activities are required, how often are they needed?

Areas for Consideration

Electricity Supply Licence – Standard Condition 21B

21B.4 The licensee must take all reasonable steps to obtain a meter reading (including any meter reading transmitted electronically from a meter to the licensee or provided by the Customer and accepted by the licensee) for each of its Customers at least once every year.

This paragraph does not apply in relation to any Customer with a Prepayment Meter.

- This is a similar/related annual requirement on Suppliers however:
  - It is not a comprehensive site visit – only concerns meter readings
  - It does not cover prepayment meters (The requirement is driven by customer billing)

- Who should be responsible for site visits?

Areas for Consideration

BSCP502 - HHDC

REF	WHEN	ACTION	FROM
3.4.1.1	As appropriate.	Collect[26] and validate HH Metered Data and check items at site.	HHDC.
3.4.1.2	Not less than once every calendar month.	In respect of de-energised SVA MSs where communications equipment is available on site, attempt remote data collection.	HHDC.
3.4.1.3	Annually.	In respect of de-energised SVA MSs which do not include communications equipment or for which the communications equipment is not functioning correctly, make a site visit to attempt data collection.	HHDC.
3.4.1.4	Following visiting site and in accordance with timescales in Appendix 4.1 and 4.8.	Provide relevant reports.	HHDC.

- Should site visit responsibilities be different depending on a meter's type or energisation status?

Potential Solutions

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Pros and cons

Solution [Method]	Pros	Cons
Option [a] The removal of the obligation for NHHDCs (and any other party) to visit de-energised sites on an annual basis from BSCP504 – TMA preferred option	• Resolves contractual issues • Removes access challenges for DC's including associated costs	• Settlement errors are smeared across NHH Suppliers
Option [b] Clarifying the responsibility of the NHHDC visiting de-energised sites annually directly in BSCP504 table step 3.4.1.1	• Greater visibility of where responsibilities lie • Ensures appropriate checks are in place for Settlement accuracy	• The Question remains if the obligation should be on the NHHDC or other party who should be carrying out the visit
Option [c] The obligation for NHHDCs to visit de-energised sites to be placed instead on the Supplier of a Metering System	• Ensures appropriate checks are in place for Settlement accuracy	• There would be a mis-alignment between the HH process and the NHH process
Option [d] Leave the obligation as it is	• Ensures appropriate checks are in place for Settlement accuracy	• Settlement Risks are unchanged • Opportunities to improve clarity are not realised

Next Steps

Next steps

- Further Analysis required?
- Raise a BSC Change Proposal?
- Issue Report
  - November/December Panel meeting (dependent on requirement for further discussions)

Any other business