

P379 MEETING 9 SUMMARY

MEETING NAME	P379 Workgroup Meeting
Meeting number	9
Date of meeting	24 September 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 meeting was for:

- Ofgem to present on key design considerations
- The Workgroup to have a walkthrough of the high level Business Requirements covering use case scenarios

2. P379 Key wider issues for consideration

2.1 The Ofgem representatives presented on key wider issues for consideration noting that Ofgem is supportive of what P379 is exploring. Given the number of cross code issues and Supplier licence conditions Ofgem raised questions on the following areas that need working through to help inform Ofgem's decision on the final Mod.

Voluntary vs mandatory solution - Members queried that if P379 delivered a voluntary solution most Suppliers may not volunteer as they do not see the benefit of the proposed changes. Meter splitting already exists in the BSC but is hardly ever applied. Suppliers need to know what the P379 solution is delivering that is different from the current meter splitting arrangements.

A workgroup member queried whether mandatory solution could require a contract between the Primary and Secondary Supplier or agents therefore not removing the defect from the current arrangements. ELEXON explained that instead of a contract a form of notification will be used. No solution that requires a contract between Suppliers for any aspects relating to settlement will address the defect.

The WG noted that it could be helpful to understand the current arrangements for Primary and Secondary Suppliers. The Secondary Supplier obligations should be clear. The P379 consultation could seek industry views around voluntary and mandatory solution costs.

Consumer making informed choices – Currently lot of rules are set on the basis of one Supplier per customer. The P379 solution should ensure customers make informed choices. The Proposer noted that the Supplier licence conditions would apply to all Suppliers involved. However, choice creates complexity. The ability to enter into multiple Supplier arrangements is conditional on having a Half Hourly (HH) Meter. The Modification provides an incentive for customer to install HH Meters.

The WG should sense check any arrangements in terms of costs and impacts. Also looking at how the rest of the market including non-HH will be impacted by the change.

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Workgroup members discussed methods of helping customers make choices, including whether there was a role for a customer advocacy service. Ofgem and the workgroup will also need to consider the impacts of the solution on digitally excluded consumers, and work to avoid the creation of a two-tier market.

Customer switching – Customer switching should still work under the P379 solution. The solution should not allow the Secondary Supplier to block customers from switching. Also it's important to draw a distinction between the Primary and default Supplier. Ofgem noted that different business models are trying to compete and this does not provide a level playing field. As the market evolves the industry will need to think of how the Supplier licence applies. There is a need to consider Balance Responsibility in terms of switching.

A workgroup member noted that the use of elective Half-Hourly settlement (prior to market-wide Half-Hourly Settlement being operational) could result in additional complexities on customer gain/loss.

The Central Switching Service (CSS) cannot be used for switches of Secondary Suppliers, so if there were to be a similar switching process this would need to be facilitated in some other central system.

The workgroup discussed the necessity of flagging MSIDs and AMSIDs with secondary supply arrangements so that Suppliers will be aware of the arrangements when organising customer switches.

ELEXON noted that there is no deemed contract for secondary supply, and supplies 'default' back to the Primary Supplier in case of any gap in supply.

Supplier failure – The WG discussed whether the existing arrangements provide protection for consumers and Suppliers. The Supplier of Last Resort (SoLR) is about continuity of supply not continuity of additional contracts. Members questioned what would happen if a Primary Supplier does not want to engage with the Secondary Supply process on gaining SoLR customers. Also how willing will Suppliers be to take on SoLR responsibilities for customers with secondary supplies. Ofgem noted that in the current SoLR process they would not be able to split customers based on whether they do or don't have secondary supplies. This means that all customers would need to be transferred to a Supplier which allowed their customers to have Secondary Suppliers if the solution were voluntary. This might result in worse outcomes for customers without Secondary Suppliers.

Policy obligations and responsibilities – The WG looked at impacts to other Supplier obligations such as customer counts and whether this will be done by MPAN count. Could there be instances where customers are counted more than once and how could this impact other processes or obligations.

Under P379 the MPAN is on the Primary Supplier and not the Secondary Supplier. Ofgem are looking to improve the Policy delivery obligations (ECO and WHD). P379 should consider impacts to the ECO process at some point.

Provision of data to consumer – The WG considered whether any smart meter obligations could be impacted by the P379 solution. The WG questioned whether the proposed solution works for prepayment meters. Ofgem noted that they will be considering the management of prepayment customers under the P379 solution.

3. Business Requirements

3.1 ELEXON provided an overview of the functions performed under P379. WG members noted the following points on the proposed and alternative processes.

- How data is collected from the Secondary Supplier's HHDC. ELEXON explained that data collection process will be defined through the P375 solution. The WG questioned whether the P375 solution covers the data estimations process. ELEXON is to check and confirm how the P375 processes interact with P379. The Proposer noted that while P375 and P379 share similar elements they are delivering different things. It's important to be clear on the P379 solution against the current baseline.

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- A workgroup members questioned whether there would need to be new flows to Distributors for network charging calculations, as the flows are sent by Agents at the moment (ELEXON post WG note: We believe DUoS charges are based on D0030 flows from SVAA to Distributor, so we would just need to ensure those flows take account of splits. If this is incorrect happy to discuss further).

The WG provided feedback on the following high level Business Requirements (BR):

BR2 – Define who would have access to the Secondary Supplier’s registration information.

BR3 – The WG will further look at different treatments of AMSIDS and how they are registered. The solution should show P379 with and without P375.

There needs to be a cross reading between the two Modifications (P375 and P379). It’s important to understand what the notifications are based on who is responsible.

BR5/6 – The WG questioned how the HHDA will perform any validation and whether the Secondary Supplier DA role is needed. The Primary Supplier DC could provide data to the DA. It was noted that the Secondary Supplier could have a DA in respect of their volumes. The WG questioned whether the Suppliers will have to develop functions to accommodate Secondary Supplier HHDA.

BR9 – As discussed during at the Workgroup 5 meeting the WG agreed to limit the number of Secondary Supplier can provide Secondary Supply for non-asset based volumes behind the Boundary Point to only 1.

BR10 – How will BR10.2 work in practice? It was noted that there will be a continuation of balancing volumes and will be applied through the P344 and P375 solutions. A member queried that the P344 solution was for large sites not domestic. ELEXON explained that BR10.2 functions will be performed by the SVAA in line with the TERRE solution. ELEXON took an action to confirm if the P375 and P344 solution will work for both large sites and small domestic customers.

The process and data flows will be further reviewed in the detailed Business Requirements.

BR11 – The reporting function needs further clarification detailing what will be reported on. The WG raise the below questions:

- Will this requirement will provide third Parties information on the consumption being sold to customers?
- Will there be a centralised method to access data?

There was some concern over the scalability of any solution.

4. P379 Policy and Regulatory Log

4.1 The WG reviewed the Policy-Regulatory Log and suggested amendments to the Log. The updated Log is provided as an attachment. This continues to be a live document and we welcome further comments. ELEXON took an action to clarify the below points:

- Clarify the role of the distribution business within the P379 arrangements. There should be a way to split capacity charges between the Secondary Supplier and the Primary Supplier. How does the DNO know if there is a Secondary Supplier associated with an MPAN? An indicator to show Secondary Supply could be added to a flow or MPAN. The process should be included the business requirements.
- Consider if changes will be required to the DCUSA and Grid code. The DNO process for applying systems charges on both the Secondary Suppliers and Primary Supplier should be made clear.
- Look into potential impacts to gate closure limited flows as they relate to next day switching

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- The Secondary Supplier terminations process should be clear. Consider if there should be a notification process when a Secondary Supplier is terminated.
- Secondary Supplier Third Party Access will be done through an agreement with the Secondary Supplier
- How will prepayment Meters be addressed in the P379 solution? Currently the solution will not work for pre-payment Meter. Ofgem agreed to look into the pre-payment Meter arrangements and consider potential solutions.
- How will vulnerable customers be treated? Both Secondary and Primary Suppliers have licence obligations with regards to vulnerable customers. However, the process for accessing vulnerable customer data should be clarified.
- Add interaction with WHD and ECO.
- Consider interaction with MiData including faster switching. The requirements are currently the provision of one year's worth of consumption data.
- Consider whether all Secondary Suppliers would need to be DCC users.
- Consider potential 15 month delay required for any DCUSA charging changes.
- Consider payment of DCC charges and whether these will and should fall entirely on the meter registrant.
- Consider responsibility for sending data from Priority Services Register (PSR) on to all suppliers – will distributors have access to register of Secondary Suppliers for an MSID?
- Consider whether Suppliers can change prices mid-contract if their customer engages a Secondary Supplier.
- Consider taxation arrangements for different tariffs.

5. Advanced Use cases

5.1 ELEXON put forward advanced use cases to run through the P379 solution and test the business requirements. The WG discussions are as follows:

UC1 - Complex community energy arrangements

A Community Scheme will not allow participation without metered supply. It was noted that not all SMART Meters have an export MPAN. The majority of PV sites have dummy meters. The solution requires a Boundary Meter to collect volumes from.

AMSIDs can be used by either Secondary Supplier or VLP because they are performing post gate closure activities. VLPs will be providing balancing services which could be the same as the Secondary Supplier.

UC2- Separation of tariffs for a company electric vehicle

In this use case a Supplier has to be involved to fulfil the supply. The employer has to enter into an agreement with the Supplier. The WG questioned how the Supplier would be able to contract with the second customer. Also whether a Supplier can have another relationship with the Supplier without an MPAN. Ofgem agreed to look into the regulatory implications of the proposed arrangements.

UC3-Third-Party access on a private wire network

An additional benefit to the P379 solution is that it would enable Third Party Access on a private wire network. The Third Party Access regime is not always straight forward. P379 could provide an easier to use outcome.

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6. Workgroup Conclusions

- 6.1 Ofgem is to look into the cross code and licence conditions covering issues outside of the P379 solution.
- 6.2 ELEXON is to update the Policy Regulatory Log based on feedback provided during the meeting and circulate to Workgroup.
- 6.3 The WG notes part of the P379 solution involves the P375 solution however the P375 solution has not yet been finalised. It's important for the WG to have a view of the P375 solution and understand how it interacts with P379. ELEXON is to include the P375 solution in the P379 draft BRs for review at the next meeting.

7. Next Steps

- ELEXON to draft the detailed Business Requirements in the next four to six weeks.
- ELEXON to circulate the BR's for Workgroup review for at least 2 weeks.
- ELEXON to schedule the next WG meeting for November 2019
- The purpose of the next WG will be to review the detailed Business Requirements.