

Key decisions and outcomes

- The Workgroup (WG) reviewed Case Studies provided by Members detailing issues perceived to be caused by Data Collectors (DCs) and Meter Operators (MOAs) where these roles were appointed as Customer Preferred Agents (CPAs) as opposed to through commercial agreements between Supplier and Agent.
- The Case Studies identified a number of different scenarios that were discussed at length, key points raised during the discussions were as follows:
 - Instances raised where there is a discrepancy between CPA agreements not meeting Balancing and Settlement Code Procedure (BSCPs) standards
 - Any issues relating to Missing Data, Incorrect Data or Late Data are covered in existing BSCPs.
 - Handheld (HHR) visits are a Commercial Agreement and not covered by any BSCPs
 - Where HHR are not covered there is no incentive on the CPA to gain readings because they will not get paid.
 - The WG discussed DCs accepting appointments where they had no CPA in place causing settlement issues at a later date. The late appointment of Agents is covered by Performance Assurance Reporting and Monitoring System (PARMS)
 - Several case study examples were determined to be a feature of the given Supplier and Agent relationship not of CPAs as a concept. However, the consensus from Suppliers at the meeting was that the amount of time and effort needed to fix issues where the Agent is a CPA and not a Supplier preferred Agent is significantly higher.
 - The WG noted there are issues on both sides of the CPA and Supplier relationship and there are instances of CPAs wanting to engage with Suppliers and having problems.
 - There was a discussion over whether CPAs were likely to have the same contact and escalation arrangements with customers as suppliers would.
 - It was also revealed that other obligations which would normally be on the supplier are not covered in CPA agreements like performing a meter exchange; apparently some contracts only cover maintenance and not meter exchange.
 - One WG member commented that under CPAs agents are focused on servicing the contract, not compliance.
- The WG concluded that ownership of the Distribution Network Operator (DNO) within the Supplier Hub model was outside of the scope of this Modification. Some Suppliers also reported difficulty with CPAs not engaging with DNOs sufficiently (more than where the Agent is a Supplier preferred).
- It was raised that CPAs have been a long held feature of the 100kw plus Market and that similar issues to the case study examples were not as prevalent. Moreover, Settlement performance in this sector is on or above the target of 99% Actuals.
 - This was addressed as a volume issue in the sub 100kw market where multi-site agreements with one point of contact are more common.
- The WG discussed that the Balancing and Settlement Code (BSC) denotes Communications are part of the Metering System and thus SIMs should be owned by MOAs. It was suggested this could be more clearly defined in the BSC as there is a belief these can be owned by DCs in some commercial arrangements.
- The WG discussed issues where a CPA can expire in the middle of a Customer and Supplier contract. Association of Meter Operators (AMO) guidance was produced on this in 2017 that will be shared with the group.
- The WG noted there is work currently going on with the AMO to provide guidance around access to SIMs and the novation process.
- The WG summarised that the Case Study examples provided were not specific to CPAs and could be attributed to any Supplier to Agent relationship.
- The WG noted that there was more effort involved in managing CPAs than commercially appointed Agents.
 - The WG identified they had no commercial optionality to change agents if there was an issue with a CPA, any de-appointments would come at an additional cost to the Supplier, Consumer or Both.

- The WG identified there was no BSC requirement on DCs to meet Industry Settlement Requirements.
- The Proposer summarised that although there was difficulty in obtaining Quantitative analysis due to the time and expense this would incur (also arguably not possible) there was sufficient Qualitative, Anecdotal and Intuitive evidence to conclude there is an issue present and to proceed with the Modification solution development.
- The WG identified that although the scope of the Modification had been changed to focus on MOAs there was a preference to include DCs as well, based on the case studies presented.
 - The Proposer agreed to include DCs.
 - If the proposal was to move forward with one Agent role, the preference would be for MOA rather than DC.
- The WG identified that although there are ongoing Significant Code Reviews (SCRs) that could have potential impact on P332 the Modification should continue to progress independently. This was on the basis that P332 was now focussing on ensuring the commercial contracts between Agents and Customers reflected the BSC Agent obligations.
 - The WG also identified new obligations and will determine whether to include them in P332 or progress separately. The Proposer is minded to progress them separately where there is no evidence that the situation is any different between CPAs and normal SHP arrangements.
- The WG agreed that there was no requirement to obtain more analysis at this stage of the Modification, with only one member supporting the view to obtain more. There was agreement that more analysis could be gathered after a solution is identified.
 - The WG identified further analysis could include a Gap Analysis between expectations of Suppliers and what CPAs or Supplier Appointed Agents are delivering.
 - The WG noted that issues with Half Hourly (HH) Meter Points are wide-ranging and varied and as such are difficult to categorise into key areas of focus.
 - The WG confirmed previous analysis and evidence gathering failed to distinguish between CPAs and Supplier Appointed Agents.
- CPAs are not currently defined in the BSC but the WG was reminded that during the first consultation period of the modification it was agreed this was wanted.
- The Modification Proposer suggested introducing Liquidated Damage Clauses would over complicate the proposal.
- ELEXON confirmed there are currently 2 Balancing Unit Settlement Risk Ratings (BUSSRs) reported against MOAs but none against DCs
- ELEXON agreed to review the different case studies put forward and analyse whether they are issues with CPAs or issues with current industry processes.
- ELEXON confirmed the BSC MOA obligations are likely to move to the Retail Energy Code (REC) in 2021 so any proposals around changing areas impacted by this need to be aware of the timescales.
 - It was stated the move to REC is likely to be a 'lift and shift' approach and they are unlikely to be looking to change any provisions during this time.
- The Modification Proposer identified the way forward as being a side-letter linked to accreditation to obliging agents to comply with the requirements in the BSC.
 - ELEXON confirmed there is already a form of side letter in use for Qualification (see 3.7 in BSCP537) which contractually binds Party Agents into the Qualification process obligations so this model is well established.
 - It is expected the side-letter would be sufficiently worded to point at Agents obligations not specific clauses to future proof it.
 - The WG identified it would be preferable to have a single letter cover both DC and MOA.
 - The side-letter could make reference to CPAs through referring to agreements made outside of Supplier arrangements.
 - The WG identified some positive impacts of the introduction of a side-note:
 - It is clear that CPAs should contract with consumers to fill all relevant Industry obligations and agreed standards.
 - Could be shared with consumers in instances where CPAs do not meet BSCP standards

- Will enable suppliers to be dealt with in a non-discriminatory way
 - Can make direct reference to CPAs as identified as a requirement in initial consultation.
 - It will be made clear these are minimum requirements and agents can offer higher rates for higher levels of service.
- The WG posed a number of questions on what should be included in the side-letter. The proposer was of the view that the side letter would focus on obligations to:
 - Contract with customers in a manner which reflects all the agent's obligations in the BSC
 - Focus on settlement outcomes i.e. prioritise those issues which will have the greater impact in settlement
 - Not behave in any way which might discriminate against suppliers on the basis of how the services are contracted
- It was agreed these would be brought back to the WG and discussed whether they are within scope or how to progress:
 - How would this affect the Qualification process?
 - Does this apply to all existing agents?
 - Would existing agents need to re-qualify?
 - What is the value and cost of this process?
 - How would an escalation process work?
 - Is this governed through BSC Audit or Suppliers reporting exceptions to ELEXON?
 - Can an obligation be put on agents to prioritise meter points based on volumes as opposed to site?
 - How does MOA get visibility of volume?
 - Can Agents be held accountable against Settlement standards?
 - Can handheld reads be introduced to the BSC as part of this modification?
 - If reporting measures are put in place what level should they be at?
 - WG identified a preference for Agent and Supplier Portfolio level in order to help differentiate CPA issues.
 - Should MOAs have a standard introduced against them on what Communications they have?
 - Can any new standards be available and transparent?
 - Could the way agents are monitored through the Performance Assurance Board (PAB) be altered?
 - How would existing CPA agreements be retrospectively back filled? Would there be a grace period or a longer lead time?
 - Are any of the above questions part of this modification or for future or additional changes or modification proposals?

Next Steps

- ELEXON to share AMO guidance on 'Process for Lack of Customer/Meter Operator' Contract
- ELEXON to confirm Business Requirements for side-letter
- ELEXON to draft side-letter
- Proposer to review draft side-letter
- WG to be reconvened to review progress and agree consultation questions.