

P379 MEETING 12 SUMMARY

MEETING NAME	P379 Workgroup Meeting
Meeting number	12
Date of meeting	3 February 2020
Venue	ELEXON Ltd, 4th Floor, 350 Euston Road, London, NW1 3AW
Classification	Public

MEETING SUMMARY

1. Meeting Objectives

1.1 The purpose of the meeting was to review the updated Business Requirements.

2. P379 Proposer

2.1 ELEXON informed the WG that the P379 Proposer New Anglia Energy wishes to withdraw from the BSC and as a result can no longer support the progression of P379. Members interested in taking on the Modification are encouraged to speak with ELEXON regarding adoption process.

3. Business Requirements: WG Comments

3.1 The WG continued their review of the Business Requirements and noted the following:

Requirements	Feedback
BR10	<p>Where the HHDC allocates the Consumption Component Class (CCC.) ID</p> <p>ACTION - ELEXON to explain how the CCC ID appointment process will work and what data central systems would make available to the HHDC to perform the calculations.</p> <p>When considering estimated vs actual data how is non-asset based metering treated? Non-asset based metering is by default treated as actual rather than estimates. It's based on the agreed volume by virtue of a contract between the customer and a Secondary Supplier rather than the metered data of an asset.</p> <p>ACTION Consider how pre and post Market Wide Half Hourly Settlement (MWHH) changes could impact the P379 solution.</p>
BR10.7	<p>In the option 2 solution the HHDC will be acting as the calculation entity. This is a new role for the HHDC compared to the current HHDC requirements and would require new qualification in respect of that role. .</p> <p>ACTION</p> <p>Add a distinction throughout the business requirements to show where the HHDC is acting as a calculation entity and where they are acting as a DC</p> <p>Show distribution of data from the CNA to the HHDC in the Option 2 solution</p>
BR10.8	<p>The calculation entity timings need to be reconsidered. 2WD and then 8WD is unlikely to provide enough time to retrieve reads if a meter is faulty. Additional runs should be added to the process to allow meter readings to be rectified in the case of a fault. ELEXON noted that the timings were designed to enable Suppliers to bill customers quickly (one of the benefits of</p>

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	<p>smart metering, and requested by Workgroup members) and that Suppliers should be incentivised to provide data in time for the first splitting runs.</p> <p>ACTION</p> <p>Build in incentive to meet first settlement run whilst allowing time to fix faults and provide reads in required timescales.</p> <p>Draw out the consequences of the things Parties need to do to meet requirements.</p> <p>Set service levels in the Business Requirements and tell Parties what those service levels are.</p>
BR13	<p>There should be a Performance Assurance process to incentivise the first Settlement run calculations.</p> <p>The WG should look at Settlement risks impacted by the P379 solution. Performance Assurance should follow the current BSC processes.</p> <p>ACTION</p> <p>Specify what risk would apply to each type of meter</p> <p>Draw out where PAF should focus</p> <p>ELEXON has already engaged with the Performance Assurance team and is to share the updated BRs with the PAF team during the Impact Assessment period.</p>
BR13.5	Expand BR to reference CVN submitted volumes not just AMSID volumes.
BR14.1	<p>Expand BR to specifically reference the new Secondary Supplier registration agent not just BSC systems.</p> <p>On Change of Supplier the new Supplier will be expected to check if a new customer has secondary Supplier arrangements. This will be a requirement on all Suppliers, and a change to processes for all Suppliers whether or not providing secondary supply is mandatory. This should be drawn out in the report/IIA.</p> <p>ACTION</p> <p>Further expand on the process requirement for Primary Supplier.</p>
BR14.2	<p>Communication with customer will be important. Consider the use of language when communicating with the customer.</p> <p>There should be a requirement to identify the registered Secondary Supplier on site (this will be a function of the Secondary Supply Registration Agent). Consider that there may be Secondary Supplier termination fees if the customer signs up to the wrong contract.</p>
BR14.3	Clarify the implication on the CNA if Secondary Supplier registration details are not kept up to date.

4. Calculation Output

4.1 ELEXON reminded the WG of the meter splitting calculations discussed in WG10. The splitting calculations are:

- programmed into the splitting calculator, which will provide the outcome of splitting calculations for the input scenario.

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- ensured that the total allocated Supply volume for all Suppliers did not exceed the boundary meter recorded import or export volumes
- 4.2 A potential solution to this is to allocate settlement volumes to each Supplier based on their behind the meter activities, divided into 'real' volumes which manifest on the total system and 'virtual' volumes which are used for settlement but not network charging.
- 4.3 A member questioned how Network charging is apportioned to exports. In the example provided all charges were applied to the Secondary Supplier import volumes and not exports volumes. The customer should be billed based on what's registered on the meter. ELEXON noted that mismatch between the asset and reads at the boundary is not an issue as assets are not connected to the whole system.
- 4.4 The WG needs to consider Network Charging issues arising from behind the meter assets. A member advised that a DCUSA Change Proposal [DCP 328¹](#) seeks to clarify how DNOs should apply use of system charges to Suppliers which supply customers connected to private networks. It's important that Customers have visibility of Network charges. Under the proposed P379 solution the customer may be billed separately by the different Suppliers involved. Although the billing process is outside of the BSC requirements this should be clarified to the customer.
- 4.5 The WG considered the scaled and virtual volumes noting that a site should have an export meter with a registered MPAN to claim the export volume. Therefore, while metering at the asset may record a volume, if there is no boundary metering and settlement for export no volumes can be assigned to any Supplier, including the Secondary Supplier. Some members noted adding an export meter depends on the costs of meter set up, data transfer and SVAA Agent costs, which might eliminate the business case for certain multiple supply use cases.
- 4.6 The WG is to consider BEIS views on export metering for the Smart Export Guarantee, the Clean Energy Package requirements and also the latest publication of the TCR on the terms of the charging regime.
- 4.7 On whether to apply scaled or virtual volumes, the WG is in favour of scaling calculations to ensure customers get accurate volumes and are billed accurately.

5. Calculation Entity Principles

- 5.1 When the Calculation Entity performs splitting calculations, it will generate the share of each Supplier at a site. This volume will be added to the Secondary Supplier's BMUs, but for a Primary Supplier this figure can be subtracted from the aggregate volume of all their customer's meter readings (including those to be split) or added to the aggregate volume of all of their unsplit customer's meter readings.
- 5.2 As HHDA's will already be aggregating all meter readings, it would be minimum change to their current role for the SVAA to subtract the Primary Supplier's share of the split from the HHDA submitted volume, where the calculation entity is SVAA.
- 5.3 Where the calculation entity is the HHDC, the HHDC can pass the correct split data on to the HHDA to aggregate, so the volumes will be added prior to aggregation.

6. Timing

- 6.1 The WG considered the processes to be used by the calculation entity. Timing will have an effect on what happens in the final settlement run. The SVAA activities should be in line with the Business Requirements.

¹ Use of system charging for private networks with competition in supply

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Under Option 1, data is received from the DC instead of the DA. If the DC is doing the calculations this will result in faster timescales. The WG notes that the use of the DC is close to the MHHS arrangements therefore future proofs the processes.

- 6.2 Currently Suppliers bill to Smart meter data, corrections would be carried out at a later date.
- 6.3 The data flows to be used under the calculation entity processes should be clarified within the P379 solution. By using the HHDC to submit data to SVAA in the Option 1 solution, the calculations can also use data flows with three decimal places, which may be more appropriate for domestic scale splitting.
- 6.4 Timing and data granularity in Option 2 do not need addressing, as the calculations are being performed by the HHDC so there are fewer handoffs and they have the data at a high granularity already.

7. Progression Plan

- 7.1 ELEXON reviewed the P379 Progression Plan and advised that the implementation date be moved to November 2022 to allow time to progress industry changes associated with the P379 solution.
- 7.2 ELEXON explained that the P379 WG Report was due to go to the March Panel. Given extensive review of the Business requirements and the need for an industry Impact Assessment, a seven month extension will be requested at the February Panel meeting. The WG agreed with the updated timescales.
- 7.3 ELEXON noted the P379 internal and industry Impact assessment is to be issued in March/April. The WG advised that the Industry Impact Assessment be issued for a period of four weeks to allow sufficient response time.
- 7.4 The WG raised that should P379 be withdrawn before the Impact Assessment (IA) is due, it should be issued outside of the Modification change process. Given the amount of work that has been undertaken by the WG and ELEXON an Impact Assessment should be issued to get industry feedback on the proposed P379 solutions. The feedback could be used for a similar Modification in the future or to address other industry issues. Ofgem agreed with the WG view.
- 7.5 ELEXON is to issue the Industry Impact Assessment document and questions for WG review.

Post meeting note: The Panel have requested an interim report for its next meeting on 12 March to inform its decision on whether to approve an extension. The **below** next steps for Impact Assessment and a new P379 Proposer will be determined after the March Panel meeting.

8. Next Steps

- 8.1 ELEXON to:
 - Update the Business Requirements and issue for WG review
 - Issue the Industry Impact Assessment document for WG review
 - Engage with potential P379 Proposers
 - Request an extension at the February Panel meeting.
 - Issue Internal and Industry Impact Assessment
 - The next WG will be scheduled to review the Impact Assessment responses.

9. Any Other Business

- 9.1 No other business was discussed.