



Report on Issue 43 'On-site generation during planned outages'

Meeting Name	BSC Panel
Meeting Date	9 February 2012
Purpose of paper	For Decision
Summary	This report summarises the conclusions of the Issue 43 Group. The Group does not recommend any changes to the existing BSC rules. We invite you to note the Group's views and that Issue 43 is now closed.

1. What is the issue highlighted by the Proposer?

- 1.1 The Proposer (E.ON UK) outlines an occasion on which a large customer paid for an on-site generator in order to maintain its supply during a planned four-week Distribution outage. The generator was connected on the Distributor side of the Settlement Meter. The customer's on-site generation was recorded as consumption in Settlement and was allocated to the customer's Supplier. The Supplier was unaware of the outage and therefore billed the customer for the consumption recorded by the Meter. The situation was highlighted when the customer contacted the Supplier to dispute its bill.
- 1.2 The Proposer raised [Issue 43](#) to discuss the implications of this scenario for Settlement and for Suppliers.
- 1.3 You can find further details of the Issue 43 scenario in Attachments A-C.

2. What are the Group's conclusions?

- 2.1 The Issue 43 Group's discussions have focused on the following three key questions:
- In what circumstances can the Issue 43 scenario arise?
 - Does the frequency/materiality of this scenario justify changing the existing rules to prevent it occurring in future?
 - Is it appropriate/possible to 'correct' the resulting Settlement volume under the existing BSC rules?
- 2.2 To help it answer these questions, the Group has:
- Issued a Request for Information (RFI) from Suppliers and Distributors (see Attachment A);
 - Considered the Supplier and Distributor responses to this RFI (see Attachment B); and
 - Noted ELEXON's advice on whether the Settlement volume is a BSC 'error' and how/if it can be corrected (see Attachment C).



2.3 The Group has concluded that:

- The Issue 43 scenario can only arise where the Distributor installs on-site generation on the Distributor side of the Settlement Meter and charges the customer for this generation;
- This scenario is so rare that it would be disproportionate to put rules in place to cover it;
- The answer to whether this scenario is a BSC 'error' depends on exactly where on the Distributor side of the Meter the on-site generation is connected; and
- The method for correcting any 'error' depends on whether the customer's site is Half Hourly or Non Half Hourly, how long ago the 'error' occurred and whether the Supplier knows the 'correct' volume.

You can find more information in Attachments A-C.

2.4 The EU Third Package requires private network operators to allow customers to take their electricity from third-party Suppliers. In some situations, this can result in a customer's embedded generation spilling on to the system without being metered. The Group notes ELEXON's view that this scenario is materially different to Issue 43 and should be considered separately. See Attachment D for further details.

2.5 One Distributor RFI respondent highlights occasions where they have supplied housing developers with onsite generation prior to the host Distributor energising the point of connection, and suggests these have some similarities with Issue 43. The Group notes ELEXON's view that these are more similar to the private networks scenario described above, and should be considered outside Issue 43.

3. Next steps

3.1 The Group does not recommend any changes to the existing BSC rules. Some members believe that it may be appropriate to introduce a requirement for Distributors to inform the relevant Supplier(s) in advance of any planned Distribution outage which is longer than a certain period of time (e.g. 48 hours). This could be considered further under the Distribution Connection and Use of System Agreement.

4. Recommendations

4.1 We invite you to:

- a) **NOTE** the Issue 43 Group's discussions and conclusions;
- b) **NOTE** the Group's recommendation that a BSC Modification Proposal should not be raised; and
- c) **NOTE** that Issue 43 is closed.

Attachments:

Attachment A – Issue 43 Group's Request for Information

Attachment B – Supplier and Distributor responses to the RFI

Attachment C – ELEXON's note to the Group on 'correcting' the Issue 43 Settlement volume

Attachment D – ELEXON's note to the Group on private networks

**Issue 43 Group membership and attendance***

Member	Organisation	18/10/11
Kathryn Coffin	ELEXON (Chair/Lead Analyst)	✓
Mike Smith	ELEXON (Technical support)	✓
Colette Baldwin	E.ON	✓
Mark Field	RWE Npower	✓
Walter Hood	IBM o.b.o. Scottish Power	X
Tony Savka	Electricity North West	✓
Matthew Hays-Stimson	UK Power Networks	✓
Graham Smith	Western Power Distribution	✓
Simon Hagan	IMServ	✓
Andrew Bard	Gemserv	✓

* ELEXON invited membership from BSC participants (via email, Newscast, the Supplier Volume Allocation Group and the Association of Meter Operators), DCUSA Parties (via ElectraLink), Gemserv, and the Distribution Code (via the Distribution Code Review Panel Chairman).



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