

ANNEX B – P70 CONSULTATION RESPONSES

Responses from P70 Assessment Consultation

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	TXU	P70_ASS_001	21
2.	SEEBOARD Power Networks	P70_ASS_002	1
3.	NEDL	P70_ASS_003	2
4.	Powergen UK plc	P70_ASS_004	4
5.	SEEBOARD Energy Ltd	P70_ASS_005	1
6.	Western Power Distribution	P70_ASS_006	2
7.	Aquila Networks plc	P70_ASS_007	1
8.	Scottish Power UK plc	P70_ASS_008	5
9.	SP Manweb plc	P70_ASS_009	1
10.	Scottish and Southern Energy plc	P70_ASS_010	4
11.	United Utilities Electricity plc	P70_ASS_011	1
12.	LE Group	P70_ASS_012	6

The following question were asked:

- Q1 Do you believe there are circumstances when a meter between two Distribution Systems within the same GSP Group is justified?
- Q2 Do you believe that in those circumstances where a meter does exist between two Distribution Systems within the same GSP Group, it would have a net benefit if there were an option allowing such a meter to be recorded in CMRS and the data collected using CDCA?
- Q3 Do you believe that in those circumstances where a meter does exist between two Distribution Systems within the same GSP Group, it would better facilitate the applicable BSC Objectives if there were an option allowing such a meter to be recorded in CMRS and the data collected using CDCA?
- Q4 Do you believe that the benefits of this modification are sufficiently general and cross industry, that the development costs associated with this modification should be borne by all BSC Parties? If "No" please provide details on how costs should be recovered.
- Q5 Which do you believe is the appropriate implementation option?

P70_ASS_001 – TXU

Respondent:		Philip Russell
Distribution Business:		No
Representing (please list all parties):		21 TXU BSC Parties
Q1	Yes	The flow of electricity has to be measured by a metering system
Q2	Yes	This would be a benefit to either of the Distribution System Operators, whether it has any benefit to Supplier's is questionable.
Q3	Yes	It might just pass the "improving administrative efficiency" test.
Q4	No	Logically it should be paid for by the DSOs – this could be done as "specific charges" in accordance with Section D
Q5	2	This works and is very cheap. It does not seem that tricky to ensure that the GSP Group Take Aggregation Rules are not corrupted in the process

P70_ASS_002 – SEEBOARD Power Networks

Respondent:		SEEBOARD Power Networks (SBPN)
Distribution Business:		Yes
Representing (please list all parties):		SEEBOARD Power Networks
<p>Conditional Support</p> <p>This modification P70 is preconditioned by and intimately related to Modification P62. SEEBOARD Power Networks' support for Modification P62 is conditional on the approval and implementation of this Modification P70 in a common time frame.</p> <p>We believe that the best solution, both within BSC and for the electricity industry in general, for implementation of the provisions of the Utilities Act 2000 relating to the introduction of new licensed distributors is by the combination of Modification P62 plus Modification P70.</p> <p>In the event that this Modification P70 is rejected Seeboard Power Networks' would be unable to support Modification P62.</p>		
Q1	Yes	We support the case for metering set out in the Requirements Specification. This is justified in just about every conceivable circumstance where the interconnection is operated "normally closed" (i.e. electricity normally flows).
Q2	Yes	<p>Both of the DSOs will require metering at the boundary for their own operational network management purposes.</p> <p>The stability and accuracy of settlements is of paramount importance to Suppliers and Elexon, requiring strong compliance in distribution (MPAN creation, disconnection and management), registration and metering agents. It is by no means clear what level of performance will develop in new distribution areas. CMRS registered boundary metering with publicly available CDCA collected data will enable Elexon and Suppliers to monitor the relative performance within all licensed Distributor boundaries and thereby ensure Applicable BSC Objectives are maintained in respect of quality of information entering Settlements.</p> <p>The existing DNO will required metering for the purposes of billing - this is necessary if suppliers are to obtain their desired objective of receiving a single distribution bill from the "final" DNO to whom the end customer is connected and for robust derivation of new DNO line loss factors. This necessitates inter DNO metering.</p> <p>Both DSOs will require metering in order to accurately perform the calculation of losses for the price control. Ofgem require a robust auditable process for this calculation.</p>

		There already exist standards & processes for metering equipment, registration, meter operation, data collection etc. It does not seem appropriate to have a different set for inter-DNO boundaries when CRA/CDCA have already indicated that they could manage this in CMRS without it effecting settlements.
Q3	Yes	<p>The proposed modification will better facilitate the achievement of the following BSC Objectives, (as are set out in paragraph 3 of Condition C3 of the Transmission Licence):</p> <p>"(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity; and</p> <p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements."</p> <p>By (among other things):</p> <ul style="list-style-type: none"> • The use of industry standard processes & systems already in place allowing for registration and configuration of such metering as well as data collection and distribution without additional development costs. • Provision and Monitoring of information that would enable Elexon, BSC Auditors, BSC Parties & Ofgem to audit the individual performance of both new and existing participants thus contribution to the overall quality of data entering Settlements. • Accurate derivation of new DNO line loss factors through access to data on consumption flowing into and out of its network.
Q4	Yes	This modification will be for the benefit of all current and future BSC parties for the reasons stated above.
Q5	2	Option 2 is the preferable solution as it does not require system changes. These is a double checking arrangement already in place for GSP group aggregation rules in that the rules are created by the CDCA and validated by the PDSO/LDSO (as GSP Group registrant) or vice versa.

P70_ASS_003 – NEDL

Respondent:		Sue Calvert
Distribution Business:		Yes
Representing (please list all parties):		1. NEDL 2. YEDL
Q1	Yes	To facilitate DUOS Billing and calculation of Line Loss Factors. Also to assist with identification of sources of errors affecting Group Take.
Q2	Yes	Using the same methodology for collecting and distributing the readings, as used for other readings related to Group Take will help to ensure consistency, stability and acceptability of the readings
Q3	Yes	It would provide an early warning facility that something might be going wrong with the registration of metering points on the new DB's network. This would enable prompt action to be taken to avoid erroneous or missing information from affecting the settlement process.
Q4	Yes	It is in the interests of all parties trading in the relevant GSP Group to take reasonably practicable steps to avoid the settlements process from being affected by missing or erroneous data.
Q5	2	This provides a reasonably robust solution at a low cost. If after a period of say a year, it can be shown to be inadequate, then Option 3 could always be adopted at a later date.
No		

P70_ASS_004 – Powergen UK plc

Respondent:		Afroze Miah
Distribution Business:		No
Representing (please list all parties):		Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited and Cottam Development Centre Limited
Q1	Yes	
Q2	Yes	A proven registration and data collection process
Q3	Yes	
Q4	No	The beneficiaries are the LDSOs.
Q5	2	Provides the basic solution in the absence of known requirements for the process.

P70_ASS_005 – SEEBOARD Energy Ltd

Respondent:		Dave Morton
Distribution Business:		No
Representing (please list all parties):		SEEBOARD Energy Limited
Q1	Yes	There are obvious benefits for both distributors to have data concerning total energy flows across their boundaries. We are not convinced those benefits extend to rest of industry.
Q2	Probably No	Use of CDCA to collect this data would be convenient for distributors, however in our view costs to rest of industry, and within central services, are likely to outweigh any benefits. The cost of changes to participant systems must be included in any assessment. We would suggest current CDCA service provider might wish to offer a new service to distributors to meet this need and to enable costs to be attributed to relevant parties.
Q3	Probably No	It can always be argued that improved availability of information will better facilitate applicable BSC Objectives if cost of providing that information is ignored. We believe that true costs of this change will outweigh any benefit.
Q4	No	See response to question 1. Development costs should be shared among all distributors with an additional marginal component per meter collected.
Q5	None	All three have costly impacts on our systems for no clear benefit.

P70_ASS_006 – Western Power Distribution

Respondent:		Graham Smith
Distribution Business:		Yes
Representing (please list all parties):		Western Power Distribution (South West) Western Power Distribution (South Wales)
Q1	Yes	We agree that the benefits of such metering, as identified by VAMG in their P70 consultation document, warrant the installation of metering where the embedded network is at all complex. Without such metering, the apportionment of network losses and charges between distributors will be subject to estimation. Errors in such estimation may result in an undercharge or overcharge to the embedded distributor which could then be passed through to the Suppliers and, in turn, Customers connected to the embedded network. Without the ability to install metering therefore there is potential to distort competition for Customers on the embedded network
Q2	Yes	Although other options for data collection exist, it makes sense to utilise an existing registration and data collection service. It removes the need for existing distributors

		to develop new systems and processes as they already receive data from the CDCA. The modification will not force this metering to be installed but it will provide for an industry standard solution when it is warranted.
Q3	Yes	As stated above, without such metering there is a requirement for losses and charges to be estimated. Errors in this estimation will potentially distort competition by allowing incorrect charges to be passed through to Customers. Adoption of the modification will therefore satisfy applicable BSC objective (c) by promoting effective competition in supply.
Q4	Yes	
Q5	3	Option 3 provides a reliable and robust solution and warrants the slightly higher implementation costs.

P70_ASS_007 – Aquila Networks plc

Respondent:		Sue Pritchard
Distribution Business:		Yes
Representing (please list all parties):		Aquila Networks plc (formerly GPU Power Networks (UK) plc)
Q1	Yes	Our preferred option for facilitating the introduction of new licensed Distributors includes introducing new and distinct GSP Groups for private networks. However, assuming that Modification Proposal P62 is agreed and consequently "Option 7" is the solution to be implemented by Industry, then this introduces a specific circumstance where a meter between two Distribution Systems within the same GSP Group is justified. Establishing such an arrangement will go some way to mimicking the effect of distinct GSP groups and will also ensure that Distributors retain their ability to: calculate losses (and consequently Loss Adjustment Factors); produce a 'week 24 return' (seven year statement) for NGC and; accurately bill Use of System charges. We must stress that we only find the implementation of P62 acceptable when coupled with this option.
Q2	Yes	Registering 'boundary metering' in CMRS would effectively mean using existing, established and proven Industry standards and systems for the purposes of data collection, processing, validation and transmission. This would benefit many parties (Data Collectors, Meter Operators, Suppliers and both existing and new Distributors), since the alternative is 'reinventing the wheel' simply to accommodate a particular type of meter. The alternative will prove to be prohibitive, specifically the cost of having to implement boundary metering and a data collection infrastructure when it would be easier to utilise the existing infrastructure. In Table 4.1 (Justification for/against a CMRS Meter) the wider benefits appear to significantly outweigh the negative aspects of this proposal, since, as previously stated, the existing infrastructure provides an established proven solution which is efficient and therefore cost-effective for the Industry.
Q3	Yes	We support the views expressed in p70 that this would help promote effective competition in supply, particularly that the added assurance provided by the collection of data via an industry recognised infrastructure, will result in an improvement of the overall data quality in the market. In addition the BSC panel has objectives not to effect the code in a manner which unduly discriminates against a class of parties. To effect p62 without p70 would be such a discrimination, since it would be prejudicial against Distributors as a class. We consider that to comply with its objectives, the Panel should not agree Modification Proposal P62 independently – i.e without also agreeing P70.
Q4	Yes	We believe (as detailed in our response to Question 2, above) that this proposal will benefit a wide number of Industry parties including Meter Operators, Data Collectors,

		Suppliers and both new and existing Distributors. Also, the VAMG has recognised that the implementation of this proposal would provide an indirect benefit to Settlement. In addition we consider p62 and p70 to be a package which, when considered against the alternative of separate GSP groups, or introducing a new data collection infrastructure, provides a more cost effective solution to Industry.
Q5	1 / 2 / 3	We believe that all three of these options, from our perspective are workable; However, we would prefer to see data included within CDCA-1030, so are more inclined to support options two and three over option one. If option two is, as implied the cheaper of these two options, then provided it is not to the detriment of the robustness of the overall solution, we would suggest option two be implemented.
No		

P70_ASS_008 – Scottish Power UK plc

Respondent:		Man Kwong Liu
Distribution Business:		No
Representing (please list all parties):		Scottish Power UK Plc.; Scottish Power Energy Trading Ltd.; Scottish Power Generation Ltd.; Scottish Power Energy Retail Ltd.; SP Transmission Ltd.
Q1	Yes	DUoS Charges - It will allow more accurate calculation of the amount owed to the host distributor from the embedded distributor for the loss adjusted value transferred across the host network from the GSP. It enables more accurate assessment of the different reasons for losses over the network.
Q2	Yes	CMRS is a industry recognised infrastructure which along with the fact that a number of Distribution businesses already have the systems to process CDCA produced data is a tangible benefit.
Q3	Yes	If the meters were recorded in CMRS then this would enable easier identification by Elexon of settlement anomalies within a GSP Group. For instance it will be possible to identify quickly if the 'rogue' data within an embedded Distribution network was the cause of a settlement anomaly negative consumption if the total HH consumption within the Distribution network was unknown. It would also enable a more accurate determination of LLF's.
Q4	Yes	The primary benefactors of inter boundary metering will be Distribution businesses. It will be a benefit to all parties though through the potentially improved settlement data. Therefore apportioning costs to all parties is the favourable option at this point. It should be noted P70 is required to facilitate the introduction of new distributors but currently no development costs would be borne by potential new Distribution companies. Therefore it would appear unreasonable for the costs to be met by only a subset of BSC parties. We suggest that costs should be incorporated into the costs for P62 if both proposals go ahead, as their implementation will be closely linked.
Q5	2	Option 2 has the least impact on systems of the three options. It is indicated that this option increases the risk of incorrect data entering settlements but the minimal Development and Maintenance costs involved in option 2 as opposed to the other two options would offset this. It is recognised however that this solution is potentially limited in volume terms, and overloading of the aggregation rule with DSCPs should be avoided. However, option 2 provides an adequate mechanism in the first instance and could be followed by option 3 at a later date should volumes dictate.

The original concept of P70 was in support of a requirement for metering to be installed between two distribution systems in the same GSP Group and for this metering to be registered in CMRS. Section 3.2 of the consultation document states that P70 is about changing the BSC to allow but not to force a

boundary meter to be registered in CMRS, should it be installed between the two distribution systems. ScottishPower considers this to be a fundamental change in the intent of P70, and therefore suggest that these current proposals should be considered as an Alternative Proposal. We would also note our support of the original intent of P70 rather than the current Alternative Proposal. Whilst we recognise that there may, at some time in the future, be exceptional circumstances (which we cannot currently predict) that would make it unviable to install metering and register them in CMRS, we would suggest that these should be assessed on the particular individual circumstances. We would wish to see CMRS registered metering being installed in all other circumstances.

P70_ASS_009 – SP Manweb plc

Respondent:		Jim McOmish
Distribution Business:		Yes
Representing (please list all parties):		SP Manweb plc
Q1	Yes	Metering in this situation will provide a mechanism for DUOS billing, calculation of LLFs and most importantly a robust validation mechanism to minimise the impact on settlements of the introduction of new distribution companies.
Q2	Yes	This will introduce standard practices for situations of this type and provide a robust validation mechanism to minimise the impact on settlements of the introduction of new distribution companies.
Q3	Yes	This will introduce standard practices for situations of this type and provide a robust validation mechanism to minimise the impact on settlements of the introduction of new distribution companies.
Q4	Yes	These changes would provide benefits to suppliers, the settlement body and to distributors.
Q5	2	Option 2 provides the best balance in terms of cost and solution. It is not accepted that there is any significantly greater risk of submission of errors in GSP Group aggregation rules as these will be submitted in the same manner as the existing mechanism, it is suggested however that subtraction of the DSCPs rather than multiply by zero would provide greater visibility on the aggregation rule and reduce the risk of error. It is recognised however that this solution is potentially limited in volume terms, and overloading of the aggregation rule with DSCPs should be avoided. However, option 2 provides an adequate mechanism in the first instance and could be followed by option 3 at a later date should volumes dictate.
None.		

P70_ASS_010 – Scottish and Southern Energy plc

Respondent:		Garth Graham
Distribution Business:		Mixed
Representing (please list all parties):		Scottish and Southern Energy, Southern Electric Power Distribution, Keadby Generation Ltd. and SSE Energy Supply Ltd
Q1		At the moment such a meter has to exist and is registered in MPAS. As such it is unclear as to what the question is trying to get at. If the question is "are there circumstances when a meter would be registered in CDCA and not MPAS"; then our answer would be Yes.
Q2	Yes	there is no reason why this should not be open as an option.
Q3		It has to be dependent on circumstances. Such circumstances could be size and embedded depth.
Q4		It has to be a general facility, otherwise the first case will bear all the costs and you could then get into subsequent cost sharing issues etc.

Q5	2	the NSM should become a Settlement Meter and be subject to aggregation rules in the same way.

P70_ASS_011 – United Utilities Electricity plc

Respondent:		Vara Tadi
Distribution Business:		Yes
Representing (please list all parties):		United Utilities Electricity plc
Q1	Yes	Will provide greater accuracy in GSP data calculations.
Q2	Yes	As the metering would be compliant with BSC requirements, high confidence can be placed on the accuracy of the data. The metering would also be independent and accessible by both parties.
Q3	Yes	As in question 2
Q4	Yes	
Q5	2	No system changes are required

P70_ASS_012 – ABB Treasury & Energy Services

Respondent		John Spiller
Distribution Business:		Yes
Representing		ABB Treasury & Energy Services
Q1	Yes	
Q2	Yes	We agree that such an option should be provided but would not agree that the meter should be compulsorily recorded in CMRS
Q3	Yes, but	We believe that the BSC Objectives need to be updated to reflect the introduction of competition in Distribution as provided by the Utilities Act. This would then allow a more realistic judgement to be made as to whether the proposed modifications support the BSC Objectives. This comment also relates to P62.
Q4	Yes	
Q5	2	

P70_ASS_013 – LE Group

Respondent		LE Group
Distribution Business:		This response is from the Group, having considered both Distribution and Supply issues
Representing		London Electricity plc, SWEB Ltd, Jade Power Generation Ltd and Sutton Bridge Power Ltd. London Power Networks plc. EPN Distribution Limited
Q1	Yes	Distributors need to be able to ascertain the units leaving their system. From Suppliers view, it would aid enquiries into potential MS registration difficulties.

Q2	?	<p>We are not strongly minded that the meter should be registered in CMRS. We can see some advantages in that the metering would have visibility and be subject to defined and common standards. However we also hold a concern that registration in CMRS may give rise to aggregation errors, perhaps even double counting. Ideally we would want the Assessment to address this issue. If the data were to be recorded under the governance of the BSC, issues such as liability for data errors would need to be thought through carefully.</p> <p>On balance, although we want to see the meter installed, we can not claim a net benefit (or a dis benefit) if the meter is registered in CMRS.</p>
Q3	No	We have failed to find an argument in which the Applicable BSC Objectives are better facilitated by the meter being recorded in CMRS and that data collected using CDCA.
Q4	Yes	
Q5	2	