Issue 51 'Third Party Access and Multiple MOAs'

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About This Document

This document is the Issue 51 Group's Report to the BSC Panel. ELEXON will table this report at the Panel's meeting on 11 September 2014.

There are two parts to this document:

- This is the main document. It provides details of the Issue Group's discussions and proposed solutions to the highlighted issue and contains details of the Workgroup's membership.
- Attachment A contains the Third Party Access to Licence Exempt Distribution Networks Guidance Note produced out of Issue 51.

Any questions?

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1 Summary

Background

At its July 2013 meeting, the Supplier Volume Allocation Group (SVG) rejected CP1378 'Alternative to CP1377 - Clarifying rules on Third Party Access on Licence Exempt Distribution Network' (SVG149/02), which proposed allowing Third Party Suppliers, whose customers are embedded within a private network, to appoint a Half Hourly Meter Operator Agent (HHMOA) of the customer's choice where a Difference Metering arrangement is required. However, it was agreed that the work on this area should be progressed under an Issue Group.

The Issue 51 Group was formed to find a possible solution to enable competitive Meter operation within a private network by removing the requirements for a single common MOA for the entire private network, thereby allowing the customer to choose their own MOA.

Conclusions

The Issue 51 Group agreed that no changes are required to the BSC or Code Subsidiary Documents (CSDs) and so there was no benefit in progressing this issue any further. Although the Group emphasised that it is aware that Third Party Access is still an on-going issue, it was unable to develop a solution that would address all concerns raised to facilitate multiple MOAs in support of competition for customers on private networks.

Consequently, it recommends that no changes should be raised or progressed from this issue. However, a Guidance Note on 'Third Party Access to Licence Exempt Distribution Networks' has been produced and published for industry for clarification purposes, based on the Group's discussions and concerns raised.

2 Background

Third Party Access

The Electricity and Gas (Internal Market) Regulations 2011 came into force in November 2011, and introduced into UK law the European Union (EU) requirement for customers on private networks (License Exempt Distribution Networks) to be able to purchase electricity from a Third Party Supplier. These arrangements are known as 'Third Party Access'.

Schedule 2 of the Regulation describes the process for customers to choose their own gas and electricity Supplier, which can be summarised as follows:

- a customer who wants to choose their own Supplier must provide the private network operator with an expression of interest, including evidence that at least one Supplier would be willing to provide the supply; and
- within 20 Working Days (WD), the private network operator must specify the metering or contractual arrangements that would be required in order to allow competitive supply.

The Department of Energy and Climate Change (DECC) produced guidance on the steps that private network operators need to take in order to comply with the regulations.

BSC arrangements

ELEXON was asked by a number of stakeholders to give advice on the existing BSC arrangements that support Third Party Access arrangements, and suggested possible improvements to BSC processes. As outlined in previous SVG papers[1], the two possible options for facilitating Third Party Access under the BSC are:

- a 'full Settlement' option which requires every customer on the private network to have a BSC Code of Practice (CoP) compliant Settlement Metering System. The BSC caters for this arrangement as an 'Associated Distribution System'; and
- a 'Difference Metering' arrangement where one or more, but not all, customers on the private network have a CoP-compliant Settlement Meter ('Third Party Meter') with a Supplier of their choice ('Third Party Supplier'). This is believed to be the more likely option and is described in more detail below.

What is Difference Metering?

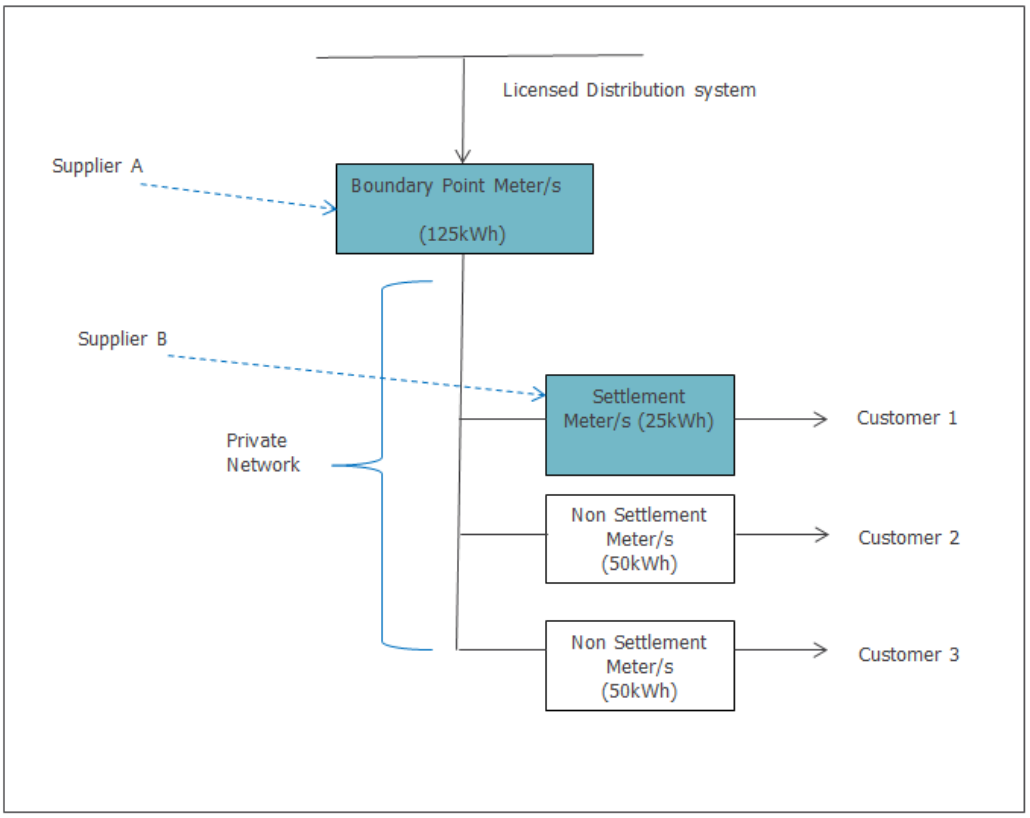
At the Boundary Point (BP) between the private network and licensed distribution network, the energy recorded by the BP Meter will include the consumption of any customers 'downstream' within the private network. In order to establish the correct Metered Volumes, any Third Party Meter readings must be deducted (or 'differenced') from the BP Meter reading to avoid double-counting in Settlement.

A Difference Metering arrangement will always make the site complex, as defined in BSC Procedure (BSCP) 514 'SVA Meter Operations for Metering Systems registered in SMRS' section 8.1. BSCP502 'Half Hourly Data Collection for SVA Metering Systems registered in SMRS' and BSCP514 already cater for Difference Metering. The BSCPs currently require the Third Party Supplier to appoint both the same Half Hourly Data Collector (HHDC) and the

[1] SVG papers 136/02, 140/04 and 140/06.

same HHMOA as the BP Supplier, thereby requiring the use of a common HHMOA and common HHDC for all customers on the private network.

The following diagram illustrates the need for a Difference Metering arrangement:



Without any differencing the BP Meter (recording the landlord's consumption) may record 125kWh however 25kWh has been provided by Supplier B. Therefore the landlord should be attributed with only 100kWh (125kWh minus 25kWh) which it will distribute to its customers based on their (non-Settlement) Meters.

Industry changes

ELEXON subsequently worked closely with industry to facilitate changes to ensure Suppliers and Supplier Agents can accommodate customers on a License Exempt Distribution Network who wish to exercise their rights to use a Third Party Supplier. These changes included:

- CP1377 'Clarifying rules on Third Party Access on Licence Exempt Distribution Network' which was implemented in November 2012, to provide changes to BSCP502 and BSCP514 to clarify the current rules of how Third Party Access can be accommodated;
- Meter Timeswitch Code (MTC) 997 which was introduced in September 2012, to provide a mechanism to identify Third Party Access Metering Systems currently embedded within a private network; and
- Generic Dispensation D/380 which was approved by the SVG in September 2012 (SVG139/02) and intended to cover 'standard' Difference Metering scenarios and where all other aspects of the Metering System remains compliant with the BSC.

Progression of CP1378

Original CP

CP1378 was raised on 3 August 2012. This change was identical to CP1377 except that it was intended to enable competitive Meter operation within a private network by removing the requirement which states that Registrants have to appoint a single common MOA for the entire private network. This would allow the customer to choose their own MOA.

The Proposer commented that Industrial and Commercial (I&C) Customers are accustomed to signing portfolio-wide HHMOA agreements in order to obtain competitive pricing. They believed that customers may not get the best value for money if they are forced to sign one-off HHMOA agreements for specific sites with MOAs that they do not have other agreements with. The Proposer believed that free choice of HHMOAs is therefore in the interests of competition.

The Proposer also noted that it is the role of the DC (which was agreed should be the same company) in conjunction with the Suppliers, to ensure that they receive the correct information from MOAs and to send the correct data further down the line to Data Aggregators (DAs) and Settlement.

A number of respondents to the CP Impact Assessment expressed concerns about the increased risk to Settlement with the introduction of multiple MOAs. The SVG, whilst recognising industry's concerns, saw merit with its principle and instructed ELEXON to work with the Third Party Access Working Group (TPAWG) and the Proposer on potential ways of addressing any Settlement risks associated with multiple HHMOAs on a private network.

What is the Third Party Access Working Group?

The Third Party Access Working Group (TPAWG) has been established by the Energy Networks Association (ENA) to evaluate solutions to issues regarding Third Party Access. It is attended by Distribution Network Operators (DNOs), electricity Suppliers, private network operators, code administrators (including ELEXON) and Ofgem.

CP1378 v2.0

CP1378 v2.0 was raised and issued for CP Impact Assessment in November 2012. This CP was intended to allow Third Party Suppliers, whose customers are embedded within a private network, to appoint a HHMOA of the customer's choice where a Difference Metering arrangement is required. The requirement for the appointment of a common HHDC was retained.

CP1378 v2.0 also transferred the obligation to generate and maintain the complex site information from a single HHMOA to the HHDC, thus allowing free choice of HHMOAs for each of the Metering Systems involved by using the common HHDC to maintain Settlement accuracy.

This CP intended to introduce the following new requirements:

- The HHMOA appointed to the BP Metering System will be required to indicate on the 'complex site supplementary information form' that Difference Metering is in place (the form will be updated to include a tick box for this purpose). This will highlight to the common HHDC that it is required to subtract the Metered Volumes for Third Party Metering Systems from the Metered Volume for the BP Meter. However, it will not contain the details of those Meters as these are not available to the BP HHMOA.
- Each HHMOA appointed to a Third Party Metering System will provide a D0268 'Half Hourly Meter Technical Details' flow to the common HHDC.

- The common HHDC for the private network will combine the D0268 flows provided by the relevant HHMOAs to ensure that the correct Metered Volumes enter Settlement. The common HHDC will determine the Metered Volumes for:
    - each Third Party Metering System in accordance with the D0268 flows provided by the HHMOAs appointed to those Metering Systems; and
    - the BP Metering by subtracting the quantities of Active Energy for each Third Party Metering System from the BP Metered Volume.
- In order to allow the HHDC to perform this process correctly, Third Party Suppliers through their HHMOAs will also need to notify the common HHDC that its Third Party Metering Systems are subject to a Difference Metering arrangement. The information must include the Metering System ID (MSID) of the relevant BP Metering System.

CP1378 v2.0 sought to allow customers to choose their own HHMOA in order to support competition for customers on private networks. Moving the responsibility to maintain the complex site information to the HHDC reduces some of the risks associated with HHMOAs failing to notify the BP MOA when a new Third Party Meter has been installed or changes have been made to the Metering System.

A number of participants to the CP Impact Assessment again disagreed with the change noting the introduction of further complexity into an already complex process. The SVG therefore agreed that such issues should be discussed by a Workgroup to help shape the change, and facilitate how the principle of multiple MOAs could be achieved. The CP1378 Workgroup was convened to discuss the issues and it became evident that, before tackling the concerns over competition in metering, the Workgroup first needed to address the robustness of the current process and identify where the problems currently lie.

At its meeting on 2 July 2013 (SVG149/02), the SVG rejected CP1378 v2.0 as the CP had moved on significantly since it was originally raised. However, the SVG instructed that the CP1378 Workgroup become an Issue Group to progress the work started by CP1378. The Issue 51 Workgroup was therefore formed to continue addressing this issue.

3 Issue Group's Discussions

What is the current end-to-end process?

The Issue 51 Group agreed that to be able to consider removing the requirement for a single common MOA for a private network and instead allowing customers to choose their own MOA, it first needed to discuss the current end-to-end process from the point to which the customer decides to choose a Third Party Supplier. The key discussions of each step in the end-to-end process are detailed below. For the full Issue Group discussions please see Appendix 1.

1) Get methodology approved

The Group agreed that the first step involves a party approaching a Third Party Supplier. Although a long process (up to nine months in total), this process is applicable for the private network owner who is required to have a methodology approved by Ofgem prior to having its embedded customers choosing Third Party Access. The Group noted that the private network owner is unable to charge unless the methodology is approved.

2) Customer approaches Third Party Supplier for Third Party Access

The next step involves a customer approaching a Third Party Supplier to have their electricity supplied by them. It was highlighted that there may be a risk that the customer fails to notify the Supplier that they are embedded within a private network. The Group agreed that this step identifies the need for an earlier MOA site appraisal.

The Group queried whether there should be an audit process over the use of MTC 997. ELEXON advised that the SVG had requested a 'sweep' of five sites as part of the generic dispensation process but asked the Group to note that this had been a one-off exercise. The Group agreed that it may be more beneficial for regular audits to be carried out.

The Group commented that Suppliers should check that the Third Party site is using MTC 997 and MTC 996 codes and that if there is no Meter Point Administration Number (MPAN), then this should be flagged to Suppliers when it is requested. It was emphasised that this information is important and should not just be given out.

The Group considered whether a step in the process was required for Market Domain Data (MDD) combinations to be created and the MTC processed in that area. The Group overall agreed that more steps and guidance are needed around MTC 997 and should be included as part of the guidance document.

3) Engage with the Licensed Exempt Distribution Network Owner

This step involves the customer approaching the private network owner to advise them on the mechanism to choose their own electricity via a Third Party Supplier. ELEXON highlighted that private network owners may not be well informed about the necessary requirements, for example appointing common agents, as there are no standardised controls in place. Each private network owner may therefore have their own processes around informing the customer about these requirements.

The Group agreed that private network owners and Third Party Suppliers should engage more with ELEXON and noted that public guidance is needed for this. ELEXON advised that

it would obtain a copy of the Embedded Distribution Network Operator (EDNO) guidance that is published as a starting point and will include links to the ENA website to make the guidance as public as possible.

The Group agreed that as part of this step, a Supplier should ask the customer for the MPAN. If the customer advises that they do not have one, then this should raise a concern with the Supplier as it means that they are on a Third Party network. The Group noted that additional guidance is needed for this scenario.

4) Supplier agrees and requests an MPAN

The next step involves the Third Party Supplier agreeing to provide a customer's supply and subsequently requesting an MPAN from the Licensed Distribution System Operator (LDSO). They agreed that this step should be relatively straightforward if all the previous process steps have worked up to this point with no problems.

However, the Group noted that it is unlikely that the customer's existing Metering Equipment would be up to Settlement standards and therefore there could be significant costs involved. The Group agreed that the MOA should have an early opportunity to evaluate compliance of the existing equipment to enable steps to be taken to achieve compliance or potentially establish a Metering Dispensation.

The Group discussed whether there is an obligation on the BP MOA to carry out the necessary work. Members of the Group agreed that although it is the most sensible approach to use the BP MOA as they are best placed to carry out the work, it does not necessarily have to be them. The Group noted that as long as the individual has the right qualifications, expertise to access the sites and is acceptable to the private network operator, then they are able to carry out the work.

The Group overall agreed that a site visit is required regardless and should be included as part of the guidance document.

5) LDSO issues MPAN

As should be the standard process with all connections, the next step involves the LDSO issuing an MPAN. However, ELEXON highlighted that a redundant MPAN may be created if the Metering Dispensation is not approved. ELEXON advised that if a site visit is carried out and fed into the Metering Dispensation process, then this should be a good enough control as the MPAN is not necessarily needed to process the Metering Dispensation as this detail can be provided later on. The Group agreed that the private network owner and BP Supplier should be added into the Metering Dispensation guidance as they are key parties involved in this process.

6) Apply for Metering Dispensation

The next step involves the Third Party Supplier applying for a Metering Dispensation for the Third Party Meter on the private network. The Group identified a number of areas which need to be made clearer in the guidance document:

- information on the Metering Dispensation process itself;

- mechanism of where and how adjustments are made, including diagrams where appropriate; and
- what information is required as part of the disputes process.

A member of the Group suggested that the ELEXON guidance for Metering Dispensation D/380 for embedded networks should be used as part of this new guidance as it is already available for people to refer to.

The Group noted that private network owners, DCs and BP Suppliers are not currently included on the Metering Dispensation form as affected parties. The Group agreed that the form needs to be amended so that they are included.

7) Appoint agents and request metering

The Group noted that Suppliers will need to appoint the HHMOA, HHDC and HHDA but that the HHDC and HHMOA will need to be the same as the BP Supplier. They emphasised that this step is the point of no return and that Parties should be aware of any risks going forward. The Group also confirmed that at this point there should be two types of contract in place: a connection with the customer and agreement to supply the license with the Third Party Supplier. It was agreed that a list of steps of what the Third Party Supplier needs to do at this point will be added to the guidance document.

8) Site visit (Meter appraisal)

Any HHMOA will perform a site visit to assess the level of work required. The Group agreed that a site visit needs to be carried out a lot earlier, preferably straight away as the timing element within the process is critical. The Group requested for the benefits of this earlier site visit to be included in the guidance document.

9) Install, commission, prove and generate complex mapping

This step is similar to standard HH metering arrangements with the exception of generating the complex mapping. The Group requested for this step to be split into two in relation to the Third Party Supplier and BP Supplier. It also suggested that import and export are split and incorporated into the guidance document.

The Group noted that complex and proving for mapping are separate entities. A member of the Group highlighted that for complex mapping, HHDCs are dependent on the complex mapping forms and that under this process the HHDC should be the same, indicating a weakness in the process. ELEXON advised that if HHDCs are appointed on a Third Party site, they should report this to ELEXON as it needs to be made aware of this.

The Group discussed the arrangements for mapping reactive data. ELEXON noted that this is currently not a Settlement requirement but needed by LDSOs from the use of system party for the correct calculation of and charging of Distribution Use of System (DUoS) charges in accordance with the Common Distribution Charging Methodology (CDCM) and EHV Distribution Charging Methodology (EDCM). The LDSO's use of system counterparty is obligated to provide reactive measurement data and that this applies whether the MPANs are boundary MPANs or embedded metering point related MPANs.

The Group agreed that it would be appropriate for the HHDC to:

- pass through any reactive data; and
- insist on a reactive mapping method from the MOA.

For avoidance of doubt, it was agreed that the private network owner requires the reactive channels for BP and Third Party Meters to be switched on in order to reapportion any reactive charges incurred as set out in the approved methodology.

The Group overall agreed that this is an important part of the process and so ELEXON should draft clear requirements on what is needed for this step.

10) Collect data for proving

The Group agreed that the steps up to this point have been part of the 'set up' process but that from this point, the process should be business as usual. They agreed that this next step is a standard process that the HHDC performs to enable them to test that the data collected is from the correct Meter. The Group discussed who should be responsible for paying for this step as the MOA will need to know both the landlords' and tenants' data for proving which could pose the argument for using only one MOA rather than multiple MOAs. They also noted that having multiple customers increases complexity as more parties then become involved in the process.

11) Clarify proving status

The Group agreed that this is a straightforward step as it is merely a 'tick box' exercise.

12) Collect data

This step is standard practice and completes the 'set up' process. The HHDC should dial the Third Party Meter and process the data, which is subsequently fed through to the Supplier. The Group, however, had some concerns that there is confusion and a lack of clarity for collecting data. The Group overall agreed that ELEXON should include clearer guidance on collecting data including whether losses or Line Loss Factors (LLFs) have been included or not.

13) Settlement data

The Group noted that this step is 'business as normal' with the Third Party Supplier receiving Settlement data from the HHDC via the Supplier Volume Allocation Agent (SVAA). However, the Group agreed that the various options in the process need to be highlighted and emphasised with diagrams and figures. The Group also noted that this method is recommended but that it cannot be enforced.

14) Collect data for Boundary Point and difference consumption

The Group noted that this step involves the HHDC dialling and collecting the data from the BP Meter and difference consumption from any Third Party Meters based on complex mapping. The data for this is currently recorded via a spreadsheet and then data flows are sent through. The Group agreed that 'gross volume from Supplier to BP' also needs to be added to this step.

The Group commented that there is currently no requirement which explicitly states that gross volume is required by the LDSO. It Group agreed that this is essential and so a mechanism or obligation needs to be added to the current process.

A member of the Group representing LDSOs queried whether LDSOs would be able to obtain HH data for all customers on the network, as they were aware that this is possible for all customers who had gone Third Party. Members of the Group highlighted that there is currently an agreement between LDSOs and their Suppliers and/or customers for data but that this does not extend to DCs. The Group agreed that this would be beneficial and that a requirement should be included in the current process.

15) Settlement data

The final step involves the BP Supplier receiving the differenced consumption via the SVAA. A member of the Group commented that the most sensible option would be for the DC to get the data but that the DC would need permission from the Supplier to be able to do this. As detailed in the above step, the Group agreed that a requirement should be included in the current process for DCs to be able to receive this data.

Non Half Hourly arrangements

The Group noted that, in principle, Third Party Access is open to all customers within private networks. However, in practice this is not achievable for Non-Half Hourly (NHH) customers when the BP Metering System is HH. The Group considered the possible options for NHH customers and it noted that the only way these arrangements could be accommodated is by the customer having to install HH Metering Equipment and becoming fully HH. The Group considered this to be somewhat restrictive and believed it to be potentially more significant than enabling multiple MOAs. It was also noted that at the time, there had not been any known requests from NHH customers seeking a Third Party supply but the potential exists and further consideration may become necessary if there is demand for it in the future.

Can multiple MOAs be included in the process?

Following its discussions and concerns of each step in the current end-to-end process as above and detailed in Appendix 1, the Group then turned its attention to considering whether it is possible to include multiple MOAs in the current process.

The Group agreed that including multiple MOAs into the current process would unnecessarily increase complexity and risk to an already complex arrangement, which would not be in the best interests of competition or Settlement. It therefore agreed that because there are not enough sites to warrant a specific change at the moment (only four sites are affected), single common MOAs should continue to be used for Third Party Access arrangements. However, the Group agreed that as more companies become exposed to these new arrangements, things will gradually evolve. The Group noted that the Third Party Access arrangements may then become a lot clearer in the future and have the potential to expand further i.e. including multiple MOAs in the process.

In the meantime, ELEXON has drafted a guidance document on Third Party Access to Licence Exempt Distribution Networks to help industry understand the current arrangements further. This can be found in Attachment A. ELEXON also advised that it is

happy to facilitate meetings and workshops as various issues come in and as more sites are affected.

Ofgem's Third Party Access Workgroup

ELEXON asked the Issue 51 Group to note that Ofgem hosted a workshop on Third Party Access on 16 May 2014. The workshop was formed because Distribution Connection and Use of System Agreement (DCUSA) Change Proposal (DCP)158 and DCP158A 'DNO DUoS Re EDNOs' had been rejected, which was partly due to insufficient engagement with private network operators in the process.

Three main subjects were discussed at the meeting:

- A concern that when a private network has no relationship with a Supplier they are not covered by the National Terms of Connection or a bilateral agreement with the LDSO for connection. The preferred solution put forward was to include the private network owner in these arrangements. However, it was acknowledged by all that this is not a Third Party Access issue.
- An issue that gross data at the BP is not available to the LDSO when a Third Party Access arrangement exists. The ENA proposed that either LDSOs bill DUoS charges to each customer (including the BP) based on net Meter readings or to only bill the BP customer based on gross data. There were no preferred solution put forward, however it was suggested that Ofgem thinks about guidance around this for Third Party Access customers.
- DCP158 and DCP158A: The assumption was made by the workgroup that further changes will be raised although there is currently not enough demand (only four sites) to warrant a change at this particular time. As more people become exposed to the Third Party access arrangements, things may evolve and become a bit clearer of what processes need to be developed further.

ELEXON noted that there may be another meeting in the future for further discussions and potentially further guidance loosely relating to Third Party Access arrangements but that this had not yet been agreed.

4 Conclusions

Conclusions

The Group considered the Issue and after extensive discussions, concluded that, whilst it was prudent for the issue to have been raised following the concerns raised by the CP1378 Workgroup, no changes were required to the BSC or CSDs at this time. The Issue 51 Group agreed that although it is aware that Third Party Access is an on-going issue, it was unable to develop a suitable solution that would cover all the concerns raised to facilitate multiple MOAs in support of competition for customers on private networks.

The Issue Group recommended that a guidance note on 'Third Party Access to Licence Exempt Distribution Networks' is produced and published for industry for clarification purposes based on all the concerns raised during the Group's discussions. This can be found in Attachment A.

ELEXON agreed that it would facilitate meetings or workshops as more issues come in as the number of affected sites increases.

Overall the Group agreed that no further action should be taken and agreed that Issue 51 should be closed.

Appendix 1: Discussions on the end-to-end process

The following table details the Issue 51 Group's discussions of the current end-to-end process from the point to which the customer decides to choose a Third Party Supplier:

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
Get Methodology Approved	This process is applicable for the private network owner who is required to have a methodology approved by Ofgem prior to having its embedded customers choosing Third Party Access	Not in scope of Issue 51 The outcome of this process is not visible to Settlements	Customer Private network owner Ofgem LDSO BSCCo	N/A
Group Discussions	The Group agreed that it is not a pre-requisite to get the methodology approved but that technically the first step is for the party to approach the Third Party Supplier. The Group acknowledged that getting a methodology approved is a long process which, can take approximately three months and then a further six months for an Ofgem decision. However, it was highlighted that the private network owner is unable to charge unless the methodology is approved. This should be flagged in the guidance. The Group agreed that the description of this process step needs to be tweaked as it runs in parallel with other steps so the diagram on page 10 of the guidance should be updated to reflect these changes.			
Customer approaches Third Party Supplier for Third Party Access	This process involves the customer approaching a Third Party Supplier to have their electricity supplied by them	There may be a risk that the customer fails to notify the Supplier that they are embedded within a private network.	Customer Supplier License Exempt Distribution Network Operator	The MPAN can be used as an indicator. For new customers, there may not be an registered MPAN and for existing customers (change of Supplier (CoS)) MTC 997 will help identify customers embossed within a private network.
Group Discussions	The Group agreed that this step highlights the need for an earlier MOA site appraisal. The Group questioned whether there should be an audit process			

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
	over the use of MTC 997. ELEXON informed the Group that as part of the generic dispensation process, the SVG had asked for a 'sweep' six months later. As such, five sites were audited, however it was noted that this was a one-off. The Group agreed that more regular audits will be beneficial. The Group pointed out that Suppliers need to check that the Third Party site is using MTC 997 and MTC 996 codes. If there is no MPAN, then this should also be flagged to Suppliers when it is requested. The Group agreed that it needs to be highlighted that this information should not be given out. The Group discussed the scenario of CoS where a new Supplier is picking up the site, the MTC 997 should remain unchanged, which should then flag to the new Supplier that the particular site is a private network. The Group agreed that controls need to be put in place for this issue. The Group discussed whether a step in the process was needed for MDD combinations to be created and then to process MTC in that area. Overall the Group agreed that more steps around MTC 997 are needed so should also be included in the guidance.			
Engage with the License Exempt Distribution Network Operator	This step involves the customer approaching the private network owner to advise the customer on the mechanism to choose their own electricity Third Party Supplier	Private network owner may not be well informed about the requirements (for example appointing common agents)	Customer Supplier License Exempt Distribution Network Operator	There are no standardised controls in place and each private network owner may have their own process to inform the customers about the requirements Private network owner and Third Party Supplier should engage with ELEXON
Group Discussions	The Group noted that the BP Supplier should also engage with the private network owner. The Group agreed that a Supplier should ask the customer for the MPAN and if they do not have one, then this should raise concern as it would mean that they are on a Third Party network. An example was discussed where a Distributor has given a customer a second MPAN for the same site. If the customer tries to change Supplier for the whole site it will 'flush it out'. The Group emphasised that this type of situation needs to be stopped as soon as it happens but the question was asked as to who should stop it. It was agreed that guidance is needed for this. A member of the Group noted that each private network owner may have			

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
	their own requirements and processes. The same member agreed to share the process they use to incorporate as part of the guidance as currently there is no public guidance but emphasised that this is needed. A member of the Group queried how Third Party Suppliers should engage with ELEXON and again noted that guidance is needed for this. ELEXON advised that it would try to get hold of the EDNO guidance that is published. The Group agreed that the guidance should also have links to the ENA website to make it as public as possible.			
Supplier agrees and request MPAN	The Third Party Supplier agrees to supply the customer and request an MPAN from the LDSO	None identified	Third Party Supplier Customer LDSO MRA	None identified
Group Discussions	The Group agreed that providing all the other processes/steps up to this point work, then this step should be straightforward. However, this step flags up the costs involved in the process which points to why a customer needs to get an MOA to carry out a survey first. It was pointed out that at this point a customer may not have agreed a particular MOA but it was noted that any MOA is needed to highlight any problems. The Group discussed whether a charge could be put on this service but questioned how it could be enforced or whether there could be an incentive for the customer to do it. The Group was concerned that if this process was voluntary and customers chose to opt out, then they may not then know all the costs involved at that point which could inevitably be detrimental. The Group highlighted that there may be capital costs as some customers in the process may not be aware of this. It was agreed that customers should work with ENA to carry out the survey. The Group discussed what the obligation is on the BP MOA to carry out the work. The Group agreed that although it seems sensible to use the BP MOA as they are best placed to do it, it does not have to be them but someone who has the right qualifications and expertise to have access to the sites. Whoever carries out the work needs to be acceptable to embedded network owner. Consequently the Group agreed that a site visit is required regardless of who is doing it. This should also be added to the guidance.			
LDSO issues MPAN	The LDSO will issue an MPAN – this should be the standard process as with all the connections	Steps must be in place to ensure MTC 997 is used for embedded customer. A redundant MPAN may be created if the Metering Dispensation is not approved. It should be noted	Third Party Supplier Customer LDSO MRA	LDSO is involved in the dispensation process and will have visibility of the outcome

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
		that MPAN is not required to process a Metering Dispensation		
Group Discussions	A member of the Group noted that the Independent Distribution Network Operator (IDNO) can refuse to issue the MPAN because of different license conditions. The Group questioned whether this would then default to the LDSO if the IDNO refuses to issue the MPAN. The LDSO/IDNO Portfolio basis of billing is based upon one end Settlement MPAN of the IDNO which is then used to source data for both IDNO and upstream LDSO on which to levy use of system charges. The Group was not clear how portfolio billing would work if the LDSO has MPANs downstream of the IDNO MPAN, i.e. LDSO-IDNO-LDSO-customer as this would require two levels of discounted DUoS charges and a means to code up MPANs to describe two distributor boundaries. The Group was also not clear whether an HHDC can deduct measurements from one distributor's embedded MPANs from boundary MPANs of another distributor. The Group also questioned how one licenced distributor's MPANs on one registration system can be coded in synchronism to transparently relate to another licenced distributor's MPANs in another registration system. ELEXON noted that if a site visit is carried out and fed into the Metering Dispensation process then this should be a good enough control. The MPAN is not necessarily needed to process the Metering Dispensation as this detail can be given later on. The Group agreed that the Metering Dispensation guidance should state that the private network operator and BP Supplier are key parties involved so their names should also be included.			
Apply for Metering Dispensation	Third Party Supplier will apply for Metering Dispensation for the Third Party Meter on the private network	Administrative process and progressing application is dependent on resources, committee timetable Lack of detail on the application – sub-standard application Assessment of losses are not visible to the process Losses not accurately reflected in the dispensation	Customer Third Party Supplier BP Supplier HHMOA LDSO BSCCo Metering Dispensation Review Group (MDRG) Panel Committees License Exempt Distribution Network Operator	Quality Assurance from various parties – BSCCo, LDSOs, MDRG and Imbalance Settlement Group (ISG)/SVG

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
		process HHDC, License Exempt Distribution Network Operator are not identified as affected parties		
Group Discussions	ELEXON informed the Group that some early Metering Dispensations had been difficult but that the speed and smoothness depended on the quality of application and whoever the MOA was involved within the process. The Group agreed that the guidance should also encompass information on the Metering Dispensation process. The mechanism of where and how adjustments are made also need to be incorporated into the guidance. If there are two ways then they need to be shown via diagrams and the consequences made clear i.e. how to work out the losses from the BP as this helps to make the losses visible. The Group also agreed that the guidance needs to make it clear on what information is needed as part of the disputes process. In relation to the issue "lack of detail on the application – substandard application", the Group agreed that further detail is needed in the guidance document as earlier discussions highlighted the need for a site visit and for this visit to be carried out earlier on. The Group agreed that the methodology statement of losses is necessary as evidence for the Metering Dispensation and that there is an onus on the ENO and MOA to account for the losses. A member of the Group pointed out that the ELEXON guidance for Metering Dispensation D/380 for embedded networks should be used as part of this new guidance as it is already available for people to follow. The Group noted that currently, private network owners, DCs and BP Suppliers are not included on the Metering Dispensation form as affected parties. The Group agreed that this needs to be amended so that they are included.			
Appoint agents and request metering	Supplier appoints the HHMOA, HHDC and HHDA. This will need to be the same HHDC and HHMOA as the BP Supplier	How does the Third Party Supplier know which agents to appoint?	Customer BP Supplier Third Party Supplier HHMOA HHDC HHDA License Exempt Distribution Network Operator	Dispensation will put a requirement to ensure they appoint the same agents
Group	The Group highlighted that it should be made clear that this step is the			

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
Discussions	point of no return and parties should know what the risk is going forward. At this point there should be two types of contract in place: a connection agreement with the customer or network operator and a supply agreement with a Third Party Supplier. The Group agreed that there should be reinforced dialogue up front for who the parties are, so the existing control should be amended to state that "dispensation will put a requirement to ensure they appoint and maintain the same agents". The Group noted that a list of steps of what the Third Party Supplier needs to do at this point needs to be added into the guidance.			
Site Visit (Meter appraisal)	HHMOA will perform a site visit to assess the work required	Timing – ideally this should be carried out prior to submit the dispensation This detail is required for the Metering Dispensation application.	Customer Third Party Supplier HHMOA License Exempt Distribution Network Operator	Dispensation validation process
Group Discussions	The Group agreed that a site visit needs to be carried out a lot earlier, preferably upfront as timing is critical. The Group requested for the benefits of this to be drawn into the guidance.			
Install, commission, prove and generate complex mapping	The process is similar to standard HH metering arrangement with the exemption of generating the complex mapping	Accuracy of complex mapping and passing on to the HHDC (timely and accurate). Commissioning of existing current transformers (CTs) and/or voltage transformers (VTs) (CoP compliant) – if they are non-compliant but accurate, this should be included in the Metering Dispensation. Reactive Mapping is not a Settlement requirement but needed by LDSOs from the use of system party for	HHMOA HHDC LDSO Third Party Supplier Settlement process BP Supplier Other customer on the private network	

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
		the correct calculation of and charging of DUoS in accordance with the CDCM and EDCM. The LDSO's use of system counterparty is obligated to provide reactive measurement data and that this applies whether the MPANs are boundary MPANs or embedded metering point related MPANs.		
Group Discussions	The Group requested for this step to be split for the Third Party Supplier and BP Supplier and highlighted that import and export should also be split. ELEXON highlighted that complex rules are slightly touched upon in BSCP514 but that it would look at incorporating import and export into the guidance. The Group noted that complex and proving for mapping are separate entities. A member of the Group emphasised that HHDCs are dependent on complex mapping forms which needs to be highlighted. It was also noted that under complex mapping, the HHDC should be the same which indicates a weakness in the process. ELEXON highlighted that if HHDCs are appointed on a Third Party site, the HHDCs should report this to ELEXON as it needs to be aware of this. The Group discussed the arrangements for mapping of reactive data. ELEXON noted that this is currently not a Settlement requirement and further, that the treatment of reactive data by the HHDC in any form of aggregate basis will not be correct. It was agreed that reactive charging is based on the power factor at the BP and is subject to the Ofgem agreed methodology of the network owners. Any reactive element at the BP is charged to the BP Supplier who then bills its customer on that basis. These charges are then passed down to the embedded customers based on their reactive Meter readings. The Group agreed that it would be appropriate for the HHDC to (a) pass through any reactive data and (b) insist on a reactive mapping method from the MOA. It was agreed that the private network owner required the reactive channels for BP and Third Party Meters to be switched on in order to reapportion any reactive charges incurred as set out in the approved methodology. ELEXON also agreed to draft clear requirements on what is needed for this			

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
	step as part of the current process.			
Collect data for proving	This is the standard process that the HHDC performs to enable the HHDC to test the data is collected from the correct Meter	No specific issue relating to Third Party Access	HHDC Third Party Supplier Third Party Customer BP Supplier License Exempt Distribution Network Operator	
Group Discussions	The Group highlighted that there is a question over who pays for this step. For proving, the MOA needs to know both the landlords' and tenants' data which could pose the argument for using only one MOA rather than multiple MOAs. It was pointed out that having multiple customers increases the problem as more parties are then involved meaning more complexity. The Group questioned what happens if the maximum permissible volumes go over the CoP limit. It was agreed that the CoP wording needs to be made clearer in relation to this. The Group highlighted that the steps up to this point have been part of the 'set up' process but that from this point, the process should be business as usual.			
Clarify proving status	This process is similar to those of non-complex site	As above	HHDC Third Party Supplier Third Party Customer BP Supplier License Exempt Distribution Network Operator	
Group Discussions	The Group agreed that this step is straightforward as is merely a 'tick box' exercise.			
Collect data	This step should be identical. HHDC dials the Third Party Meter and processes the data which is fed to the Supplier	As above	HHDC Third Party Supplier Third Party Customer BP Supplier License	

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
			Exempt Distribution Network Operator	
Group Discussions	The Group agreed that this step is standard practice and emphasised that the 'set up' is now complete. The Group noted that there is confusion and a lack of clarity for collecting data and so agreed for ELEXON to add clearer guidance including whether losses have been added or not, are LLF or not etc.			
Settlement data	Third Party Supplier receives Settlement data from the HHDC via the SVAA	As above	HHDC Third Party Supplier Third Party Customer BP Supplier License Exempt Distribution Network Operator	
Group Discussions	The Group noted that this step is 'business as normal' but that options in the process should be highlighted with diagrams and figures. The Group also emphasised that this method is recommended but that it cannot be enforced.			
Collect data for BP and difference	HHDC dials and collects data from the BP Meter and difference consumption from any Third Party Meters based on the complex mapping	Gross volumes required by the LDSO If complex mapping is done correctly, no issues should arise	HHDC Third Party Supplier Third Party Customer BP Supplier License Exempt Distribution Network Operator	None
Group Discussions	The Group agreed to add 'gross volume from Supplier to BP' to the guidance document. The Group highlighted that this step is currently recorded via a spreadsheet and then flows are sent through. It was questioned whether there are any requirements that state that gross volume is required by the LDSO. The Group noted that there are currently no requirements but that these are still needed. It was agreed that a mechanism/obligation is required for the current process. A member of the Group (distributor) was asked whether they could obtain HH data for all customers on the network. The member explained that this was possible for all customers that had gone Third Party. The Group			

Discussions on the end-to-end process				
Process step	Description	Issues and failure points	Impacts	Existing controls
	agreed that a requirement needs to be added in as there is currently an agreement between Distributors and their Suppliers/customers but not DCs.			
Settlement data	BP Supplier receives the differenced consumption via the SVAA	No issues specific to Third Party Access	As above	None
Group Discussions	A member of the Group commented that the most sensible option would be for the DC to get the data but that the DC would need permission from the Supplier to be able to do this.			

Appendix 2: Issue Group Membership

Issue Group membership and attendance

Issue 51 Group Attendance			
Name	Organisation	11 Aug 13	22 May 14
Adam Lattimore	ELEXON *(Chair)*	✓	✗
David Kemp	ELEXON *(Chair)*	✗	✓
Claire Anthony	ELEXON *(Lead Analyst)*	✓	✓
Keith Campion	ELEXON *(Design Authority)*	✓	✓
Zaahir Ghanty	ELEXON (*Design Authority*)	✓	✗
Colin Prestwich	Smartest Energy*(Proposer)*	✓	✓
Walter Hood	IBM on behalf of ScottishPower	✓	✓
Tom Chevalier	Association of Meter Operators	✓	✓
Peter Gray	SSE	✓	✓
Colin Gentleman	SSE Metering Ltd	✓	✓
Mike Hawthorn	SSE Metering Ltd	✗	✓
Glenn Sheern	E.ON	✓	✓
Ian Hall	IMServ	✓	✗
Michael Smith	Western Power	✓	✗
Howard Gregory	RWE Npower	☎	☎
Derek McGlashan	Forth Ports Limited	☎	☎
Matthew Hays-Stimson	UK Power Networks	☎	☎
Pauline Sumner	Peel Ports	☎	✗
Bethany Chubbock	Gemserv	✓	✗
Franck Latremoliere	Consultant	✗	✓

Appendix 3: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Glossary of Defined Terms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
BP	Boundary Point
CDCM	Common Distribution Charging Methodology
CP	Change Proposal
CoP	Code of Practice
CoS	Change of Supplier
CSD	Code Subsidiary Document
CT	current transformer
DC	Data Collector
DECC	Department of Energy and Climate Change
DNO	Distribution Network Operator
DUoS	Distribution Use of System
EDCM	EHV Distribution Charging Methodology
EDNO	Embedded Distribution Network Operator
ENA	Energy Networks Association
EU	European Union
HH	Half Hourly
I&C	Industrial and Commercial
ISG	Imbalance Settlement Group
IDNO	Independent Distribution Network Operator
LDSO	Licensed Distribution System Operator
LLF	Line Loss Factor
MDD	Market Domain Data
MDRG	Metering Dispensation Review Group
MOA	Meter Operator Agent
MPAN	Meter Point Administration Number
MSID	Metering System ID
MTC	Meter Timeswitch Code
NHH	Non Half Hourly
SVAA	Supplier Volume Allocation Agent

Glossary of Defined Terms	
Acronym	Definition
SVG	Supplier Volume Allocation Group
TPAWG	Third Party Access Working Group
VT	voltage transformer
WD	Working Day

DTC data flows and data items

DTC data flows and data items referenced in this document are listed in the table below.

DTC Data Flows and Data Items	
Number	Name
D0268	Half Hourly Meter Technical Details

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	CP1378 page on the ELEXON website	http://www.elexon.co.uk/change-proposal/cp1378/
2	SVG149 page on the ELEXON website	http://www.elexon.co.uk/meeting/svg-149/
2	'Third Party Access to Licence Exempt Distribution Networks' Guidance document on the ELEXON website	http://www.elexon.co.uk/wp-content/uploads/2014/07/third_party_guidance_v1.0.pdf
3	Electricity and Gas (Internal Market) Regulations 2011 page on the UK Government legislation website	http://www.legislation.gov.uk/ukdsi/2011/9780111513965
3	DECC Third Party Access guidance document (2012)	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48289/4511-guidance-third-party-access-elec-gas.pdf
3	BSCPs page on the ELEXON website (BSCP504, BSCP514)	http://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/
3	SVG136 page on the ELEXON website	http://www.elexon.co.uk/meeting/svg-136/
3	SVG140 page on the ELEXON website	http://www.elexon.co.uk/meeting/svg-140/

External Links		
Page(s)	Description	URL
4	CP1377 page on the ELEXON website	http://www.elexon.co.uk/change-proposal/cp1377/
4	Generic Dispensation D/380 guidance document on the ELEXON website	http://www.elexon.co.uk/wp-content/uploads/2013/11/d380_guidance_v3.0_cgi.pdf
4	SVG139 page on the ELEXON website	http://www.elexon.co.uk/meeting/svg-139/
4	Energy Networks Association website	http://www.energynetworks.org/
11	DCP158 and DCP158A page on DCUSA website	http://www.dcusa.co.uk/Public/CP.aspx?id=179