

Phase

[Initial Written Assessment](#)[Definition Procedure](#)[Assessment Procedure](#)[Report Phase](#)[Implementation](#)

P322 'Revised Implementation Arrangements for Mandatory Half Hourly Settlement for Profile Classes 5-8'

Urgent Modification P322 proposes new arrangements to manage the migration of sites classed as Profile Class (PC) 5-8 with Advanced Meters to Half Hourly (HH) Settlement, as required by approved Modification P272.

Part of the P322 arrangements is an end date by which migration must be complete. The Workgroup anticipates that the P272 Implementation Date will be delayed to align with this end date, and recommends that this should occur.

This Assessment Procedure Consultation for P322 closes:

5pm on Friday 5 June 2015

The Workgroup is unlikely to be able to consider late responses.



The P322 Workgroup initially recommends **approval** of P322

This Modification is expected to impact:

- Suppliers
- Distribution Systems Operators (DSOs)
- Half Hourly Supplier Agents
- Non Half Hourly Supplier Agents

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About This Document

The purpose of this P322 Assessment Procedure Consultation is to invite BSC Parties and other interested parties to provide their views on the merits of P322. The P322 Workgroup will then discuss the consultation responses, before making a recommendation to the BSC Panel at its meeting on 11 June 2015 on whether or not to approve P322.

The Panel will then make its recommendation to the Authority on whether P322 should be approved. There will be no further industry consultation on P322 as a result of its urgent status.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Workgroup's key views on the areas set by the Panel in its Terms of Reference, and contains details of the Workgroup's membership and full Terms of Reference.
- Attachment A contains the draft redlined changes to the BSC for P322.
- Attachment B contains the specific questions on which the Workgroup seeks your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish the Workgroup to consider.
- Attachment C contains the collated figures from the P322 request for information (RFI).

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Why Change?

The implementation approach for Approved Modification [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) and the P272 Implementation Date create risks to industry participants and consumers as a result of Meter migration.

Solution

P322 proposes new arrangements to migrate sites, classed as Profile Class (PC) 5-8 with Advanced Meters installed, to Half Hourly (HH) Settlement under the P272 obligations.

P322 will require:

- Suppliers to settle HH those sites with Advanced Meters on PCs 5-8 on a change of Supply (CoS) or Renewal of Contract from 5 November 2015 to 2 November 2017;
- Suppliers to submit migration plans to confirm the date by which any given relevant Metering System (MS) will be migrated to HH Settlement; and
- the migration plans to be agreed and monitored by the Performance Assurance Board (PAB).

Impacts & Costs

P322 will impact:

- **all Suppliers** with Advanced Meters on PC 5-8, who will need to submit migration plans and updates to the PAB, update contracts, appoint HH agents, and may require changes to systems;
- **all Non Half Hourly (NHH) Supplier Agents**, who will need to Qualify (if not already done so) for the relevant MSs; and
- **all HH Supplier Agents and Distribution Systems Operators (DSOs)**, who will need to carry out the relevant change of Measurement Class (CoMC) activities and associated processes, and may need to update their systems to handle increased numbers of HH Metering System IDs (MSIDs).

The estimated central implementation cost to be determined.

Implementation

The Workgroup initially recommends an Implementation Date for P322 of **3 August 2015** as a Standalone Release, if an Authority decision is received on or before 20 July 2015.

Recommendation

The Workgroup's initially agrees that P322 **would better facilitate Applicable BSC Objectives (c) and (d)** and therefore initially recommends that P322 should be **approved**.

2 Why Change?

Overview of Approved Modification Proposal P272

Since 6 April 2014, all Meters within PCs 5-8 must have an Advanced Meter capable of being read remotely and recording HH consumption. Approved Modification P272 mandates HH Settlement for all MSs within PCs 5-8 from the P272 Implementation Date of 1 April 2016 (where capable metering has been installed).

Key milestones

- Smartest Energy raised P272 on **20 May 2011**.
- At its meeting on **13 December 2012**, the Panel unanimously recommended to the Authority that both the P272 Proposed Modification and the P272 Alternative Modification should be rejected ([Panel 206/05](#)).
- The Authority issued a [Regulatory Impact Assessment for P272](#) on **29 October 2013**. As part of this, the Authority noted a minded-to position to approve the P272 Alternative Modification.
- On **6 February 2014**, the [Authority issued a direction to the Panel](#) to consult on a revised proposed Implementation Date for the P272 Alternative Modification. The Authority:
 - notified the Panel that any revised Implementation Date for P272 should not be prior to 1 April 2016; and
 - recommended that the Panel conducted its consultation once there was clarity on the timetable for the [Distribution Connection and Use of System Agreement \(DCUSA\) Change Proposal \(DCP\) 179 'Amending the CDCM tariff structure'](#).

The Panel accepted this recommendation at its meeting on **13 February 2014** ([Panel 221/04](#)).

- The results of the consultation were presented along with the Draft Modification Report for Approved Modification [P300 'Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes \(DCP179\)'](#). The Panel recommended that the P272 Implementation Date should be 1 April 2016.
- The Authority approved the P272 Alternative Modification on **29 October 2014** for implementation on 1 April 2016.

P272 Implementation approach

Current P272 implementation approach

Under the approved P272 implementation approach, all applicable MSs will need to have migrated and settled HH by 1 April 2016. This would require significant numbers of NHH MSs undergoing the change of Measurement Class process, which due to the large numbers are expected to be done over a period of time rather than at the end of March 2016. It also requires Suppliers to be HH Qualified and appoint HH Qualified agents. To oversee this and manage any potential risk, the PAB have requested migration plans from Suppliers, DSOs and agents; however, these are not mandatory.

Request to delay P272 Implementation Date

RWE npower and Haven Power wrote to the Panel (30 January and 10 February 2015, respectively) identifying concerns with the implementation of P272 and suggesting the Implementation Date of 1 April 2016 should be delayed ([Panel 234/05](#)). The February Panel meeting, npower presented its concerns regarding the P272 Implementation Date.

Ofgem stood by [its letter to the Panel in 2014](#) on P272 implementation, noting that Ofgem considers that timely implementation of change is needed to enable consumers to realise the benefits of Advanced Meters and therefore a strong case for a delay to the implementation of P272 would need to be demonstrated.

Ofgem advised that for a delay to be considered, it would need to see evidence of the materiality of the issues. This, it made clear, should include the impact on customers as well as industry parties, whether they are resolvable in the existing timeframe, and how widespread such issues are (that is whether they are industry-wide problems or limited to a small number of Parties). As such, the Panel asked ELEXON to seek further information to enable it to consider whether to request that the Authority agree to delay the implementation of P272; and, if so, what revised P272 Implementation Date to request.

ELEXON issued a consultation on 17 February 2015 seeking views whether other participants shared the identified concerns, the materiality of the issues and whether they can be resolved. The consultation closed on 3 March 2015 with 22 responses received.

The Panel considered responses to this consultation at its meeting on 12 March 2015 where it determined to seek a 12 month extension to the P272 Implementation Date ([Panel 235/04](#)). On 20 March 2015, the Panel wrote to the Authority to request that the Authority grant a 12 month extension to the Implementation Date for P272 from 1 April 2016 to 1 April 2017.

Authority decision not to delay P272 implementation

On 20 April 2015, the Authority wrote a [letter to the Panel in response to the request](#). While it shared some of the concerns raised by the Panel, regarding the risks to consumers associated with the P272 implementation approach, it decided not to approve the extension request. The Authority did not believe that an extension on its own would address the risks identified. Furthermore, it believed that such a delay could also reduce the incentives on Suppliers to start migration.

However, in its letter, the Authority said that it would be open to consideration of alternative solutions to address the risks to consumers. An example it provided was for a new Modification that introduced a mandatory start date for migration alongside a later Implementation Date for P272. It suggested that any solution could also consider a reporting requirement to monitor migration. It indicated that an extension to the P272 Implementation Date could be part of the measures to mitigate risk.

What is the issue?

At present, the approach to implementing Approved Modification P272 and the P272 Implementation Date create risks to industry participants and consumers as a result of Meter migration. P322 seeks to introduce an alternative implementation approach for P272, including mandatory reporting and facilitating a delay to the implementation of the P272 requirements, to mitigate the identified risks.

Proposed solution

P322 proposes new arrangements to migrate sites classed as PC 5-8 with Advanced Meters installed under the mandate to settle HH.

Solution requirements

Requirement 1

The BSC will include a requirement for Suppliers to settle half-hourly MS with Advanced Meters on PCs 5-8 on a CoS or Renewal of Contract from 5 November 2015 to 2 November 2017 (subject to the P272 Implementation Date).

- | | |
|-----|--|
| 1.1 | From 5 November 2015, Suppliers that are Registrants of MS with Advanced Meters on PC 5-8 must, within 30 Business Days of a CoS or Renewal of Contract, conduct a CoMC so that these MS are HH settled. |
| 1.2 | All MS with Advanced Meters on PC 5-8 will be deemed to be HH Metering Equipment, and therefore must be HH settled, by the end date of 2 November 2017. |
| 1.3 | The PAB may use any Performance Assurance Techniques (PATs) it deems necessary to ensure compliance with this requirement, which may include escalation to the BSC Panel |

Requirement 2

The BSC will include a requirement for Suppliers to submit migration plans to demonstrate how they will meet requirement 1 and the requirement to move all MS with advanced meters on PCs 5-8 to HH settlement by the date specified in the BSC. The BSC will also require that these plans to be agreed and monitored by the PAB.

- | | |
|-----|--|
| 2.1 | <p>Suppliers shall submit Supplier Migration Plans (SMPs) using a template provided by ELEXON. The SMP will show the migration of MS with Advanced Meters on PCs 5-8 to HH Settlement from 5 November 2015 and must include:</p> <ul style="list-style-type: none"> • The Supplier IDs which the SMP covers (an SMP may cover multiple IDs). • The number of MS on PCs 5-8 for which the Supplier is the Registrant, broken down by those with Advanced Meters and those without. • The number of MS with Advanced Meters on PCs 5-8 that the Supplier expects to move to HH Settlement prior to 5 November 2015. • The date of contract expiry for each of the Supplier's MS with Advanced Meters that will not be moved to HH Settlement before 5 November 2015, broken down by month. • The date that each of the Supplier's MS on PCs 5-8 with Advanced Meters that were not moved to HH Settlement before 5 November 2015 will be registered as HH. This will be total numbers of MS for any given month. • Supporting evidence specified or subsequently requested by the PAA or PAB. This may include a list of MSIDs, with the contract start and end dates, for the Performance Assurance Administrator (PAA) to validate the SMPs. The PAA will not share any supporting information at MSID |
|-----|--|

Requirement 2

	<p>level with the PAB unless agreed by the Supplier, and such information will be treated in confidence by the PAB. The PAA will provide any other information provided in confidence to the PAB in confidence.</p> <ul style="list-style-type: none"> Details of contingency plans in place to manage potential acquisition of Customers and installation of Advanced Meters to sites.
2.2	Suppliers shall declare that they have agreed their SMPs with the HH Data Aggregator (HHDA), HH Data Collector (HHDC) and HH Meter Operator Agent (HHMOA) that would be responsible for the MS ¹ . Also included in the declaration is confirmation that the Supplier's agent is or will be HH Qualified by the time that it will be responsible for the MS.
2.3	SMPs may propose a migration date for a MS with an Advanced Meter on PC 5-8 that exceeds the 30 Business Day CoMC deadline for applicable MS if the volume of MS involved in any one period is not feasible or there are other reasons why it may not be feasible to meet the deadline, subject to the PAB approving such plans.
2.4	For the avoidance of doubt, a proposed migration date for a MS with an Advanced Meter on PC 5-8 in a SMP may not be later than 2 November 2017, even if this means the full 30 Business Days for CoMC is not available.
2.5	<p>The PAB will review and determine whether the plans and any supporting evidence are sufficient to ensure compliance with the P322 and P272 requirements of the BSC and do not pose any unnecessary risk to Settlement. The PAB will reject any SMP which indicates a migration date for a MS on PC 5-8 with an Advanced Meter that falls more than 30 Business Days after a CoS or Renewal of Contract, unless suitable rationale or explanation is included within the SMP.</p> <p>If the SMP is rejected the Supplier must resubmit a revised plan, addressing the deficiencies identified by the PAB, within the timescale specified by the PAB.</p>
2.6	<p>Suppliers that are Registrants of MSs with an Advanced Meter on PC 5-8 before 31 August must submit an initial SMP covering all relevant MSs to the PAB by 31 August 2015 for the PAB to consider at its September 2015 meeting. Suppliers wishing to submit plans sooner may do so; however, the PAB will not give final consideration to these plans until the September 2015 meeting.</p> <p>Suppliers that become Registrants of MSs with an Advanced Meter on PC 5-8 from 31 August 2015, where they had not previously been a Registrant of such MS, must submit an initial SMP covering all relevant MSs to the PAB within 30 Business Days of the first Registration.</p> <p>Suppliers must submit a revised plan using the provided template as soon as it becomes aware of any circumstance that will prevent material compliance with the in force plan for approval.</p>
2.7	From 31 October 2015, Suppliers must provide monthly updates on the progression of SMPs using a template provided by ELEXON, with supporting evidence as requested by the PAB or the PAA. This will be for the second preceding month (e.g. an update for November would be provided in January) and will include details on the variance and reason for variance from the last

¹ The expectation is that the Suppliers will need to agree with their agents the volume of MSs that will be migrated on a daily basis and the start and end date for each phase of the migration. Supplier Agents will need to consider how to manage migrations for multiple Suppliers, particularly at times of expected peaks around contract rounds.

Requirement 2

	<p>updated plan. This will include, but is not limited to:</p> <ul style="list-style-type: none"> • How many MS on PC 5-8 with Advanced Meters ('relevant MS') did the SMP say would be migrated during the month? • How many of these MS were migrated during the month? • How many relevant MS had contracts that expired during the month and the variance from the last updated plan? • How many of these MS were moved to HH Settlement and the variance from the last updated plan? • How many relevant MS did the Supplier acquire during the month and the variance from the last updated plan? • How many of these MS were moved to HH Settlement? • How many relevant MS did the Supplier lose during the month? • How many relevant HH MS did the Supplier lose during the month?²
2.8	Suppliers must submit an SMP; submit an update in accordance with the BSC, including Section U.1.2.1, or as requested by the PAB or PAA; and comply with their approved SMP or any updated plan, subject to any explicit provisions in the Code to the contrary.
2.9	<p>The PAB may use any PATs it deems necessary to ensure compliance, which may include escalation to the BSC Panel, if a Supplier fails:</p> <ul style="list-style-type: none"> • to submit an SMP; • to submit an update in accordance with the BSC, including Section U.1.2.1, or as requested by the PAB or PAA; and/or • to comply with their approved SMP or any updated plan.
2.10	The PAB may use any PAT it deems necessary to obtain additional information or data to enable it to agree an SMP or ensure that such plans are on track.

Assessment Consultation Questions

Do you agree with the Workgroup's recommended Implementation approach where Suppliers must submit initial Supplier Migration Plans by 31 August 2015, subject to 3 August 2015 Implementation Date?

Please provide your rationale.

Do you agree that under P322 Suppliers should be required to migrate any applicable MS to HH Settlement where it gains or where the contract is renewed from 5 November 2015?

Please provide your rationale.

Do you agree that under P322 Suppliers should be required to complete migration to HH Settlement within 30 Business Days of a change of Supply or Contract Renewal?

Please provide your rationale.

Do you agree with the Workgroup's recommended implementation approach where Suppliers must have migrated all applicable MSs by 2 November 2017, subject to P272 Implementation Date being amended to align with this date?

Please provide your rationale.

The Workgroup invites you to give your views using the response form in Attachment B.

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² A relevant HH site in this context is a MS with an Advanced Meter on PC 5-8 that the Supplier had migrated from NHH to HH as part of the its PAB approved SMP but which it has since lost.

Implementation approach

The P322 Proposer believes that introducing a mandatory start date, by which all Suppliers must have started migration, would address part of the concerns of the Authority. It believes that this start date should be 5 November 2015. This is in line with the Implementation Date for P300 and from when Distribution Use of System (DUoS) charges, which are more reflective, will be available for a class of HH MSs.

Part of the solution is required reporting, which will require Suppliers to submit migration plans and have these agreed by the PAB. Therefore, the Implementation Date proposed is 3 August 2015 with the plans required to be submitted by 31 August 2015 and then considered by the PAB at its meeting on 24 September 2015.

Legal text

To support the revised implementation approach and additional requirements around Supplier Migration Plans, the following changes are required.

Amendment to the BSC:

- requirements in [Section L 'Metering' and Section S 'Supplier Volume Allocation'](#), similar to the provisions introduced by P272 and which also consider the revised implementation approach.
- requirements in [Section Z 'Performance Assurance'](#) around submission of Supplier Migration Plans and compliance with those plans.
- [Section X Annex X-1 'Glossary'](#) to introduce the definition of 'Advanced Meter', 'Contract Renewal' and 'Supplier Migration Plans'.

Attachment A includes the draft redlined changes to the BSC.

Assessment Consultation Question

Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P322?

Please provide your rationale.

The Workgroup invites you to give your views using the response form in Attachment B

Are there any alternative solutions?

The P322 Workgroup considered different options for elements of the P322 solution as detailed in Section 6 (e.g. around the end date) but did not recommend an alternative solution.

Assessment Consultation Question

Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P322 which would better facilitate the Applicable BSC Objectives?

Please provide your rationale and, if 'Yes', please provide full details of your Alternative Modification(s) and your rationale as to why it/they better facilitate the Applicable BSC Objectives.

The Workgroup invites you to give your views using the response form in Attachment B

Estimated central implementation costs of P322

We have not yet conducted an assessment of P322. However, the P322 activities are the same as P272 so the bulk will be covered by the P272 cost of £11k. Additional costs will be for BSC changes and incremental increases in activities required due to the extended timescales. ELEXON anticipates that these will be relatively small when compared to the P272 costs of £11k.

P322 impacts

Impact on BSC Parties and Party Agents	
Party/Party Agent	Impact
Suppliers	Suppliers will need to update their customer and agent contracts as part of the transition from NHH to HH Settlement. This may require them to change agents and may require them to update their forecasting, pricing and billing systems
NHH Supplier Agents	Existing NHH-only agents will need to re-qualify for HH should they wish to continue to act as Party Agents for the relevant MSs that fall within PCs 5-8
HH Supplier Agents and DSOs	HH Supplier Agents appointed to the relevant MSs will need to carry out the relevant CoMC activities and associated processes, and may need to update their systems to handle increased numbers of HH MSIDs

Impact on Transmission Company
P322 might impact the Transmission Company (TC) as a result of any extension to the P272 Implementation Date. The impact would be due to introducing uncertainty over whether any consequential changes are required for the TC or for ELEXON in providing Measurement Class E data for reconciliation purposes. Any TC solution is likely to be sensitive to the number of migrations in 2015/16, but may be mitigated by the provision of aggregate Supplier Migration Plans at GSP Group level

Impact on BSCCo
Impact
ELEXON will manage the implementation project, which will also cover P272. It will need to coordinate the activities associated with the SMPs, including presenting these to the PAB

Impact on BSC Systems and process
None identified

Impact on Code	
Code Section	Impact
Section L	Changes will be required to implement the solution. See approved legal text in Attachment A
Section S	
Section X Annex X-1	
Section Z	

Impact on other Configurable Items	
Configurable Item	Impact
SMP and SMP Update templates	These will be created as part of the implementation and approved by the PAB

5 Implementation

Recommended Implementation Date

The Workgroup recommends an Implementation Date for P322 of 3 August 2015 if the Authority's decision is received on or before 20 July 2015.

The key dates of the P322 implementation approach and solution associated with this Implementation Date are:

- P322 Implementation Date: 3 August 2015;
- migration plan submission deadline: 31 August 2015;
- The PAB consideration of initial migration plans: 24 September 2015;
- migration mandatory start date: 5 November 2015; and
- migration end date: 2 November 2017.

Assessment Consultation Question

Do you agree with the Workgroup's recommended Implementation Date?

Please provide your rationale.

The Workgroup invites you to give your views using the response form in Attachment B.

Issue being addressed by P322

The Workgroup noted the Proposer's views on the issue, high level solution and justification of P322. A Workgroup member suggested that an argument for delaying implementation of P272 was the IT logjam that they believe will result from the P272 Implementation Date. They believed that a mandatory migration start date would cause the same issue. The Proposer contended that a start date coupled with a migration end date (aligning with a delayed P272 Implementation Date and based on Suppliers' contract end dates) would allow Suppliers to manage IT resource over a longer period. This would allow any necessary system or infrastructure changes to be done in batches, as required, rather than at one time.

The Ofgem representative confirmed that the rationale set out in the Authority letter responding to the BSC Panel's request to delay the P272 Implementation Date means that the Authority is open to consideration of solutions that address the risks to consumers identified by the BSC Panel, which could include a later P272 Implementation Date.

A Workgroup member considered that any arrangements introduced by P322 would need to include clear criteria to ensure that a gaining Supplier understands the requirements when they negotiate a contract with a potential new Customer. Criteria would need to be developed for the PAB, as well as Suppliers, so that they know what Supplier Migration Plans should look like. They believed that the plans should take into account contract renewal and allowance for migration sooner.

Advanced Meter definition

Another Workgroup member noted that the definition of an Advanced Meter is not clear. Specifically, they did not believe it was clear whether the definition includes Meters that do not have working communications or where communication is difficult due to location. As such the member thought it would be useful to have this clarified this definition. The definition in the Supply Licence Condition (SLC) 12.19 states:

"For the purposes of this condition, an advanced meter is an Electricity Meter that, either on its own or with an ancillary device, and in compliance with the requirements of any relevant Industry Code:

- a) provides measured electricity consumption data for multiple time periods, and is able to provide such data for at least half-hourly time periods; and
- b) is able to provide the licensee with remote access to such data."

P272 introduces a definition of Advanced Meter in to the BSC and points to this SLC. As this definition will not currently come in to effect until the P272 Implementation Date, a definition will be required in the BSC as part of P322. The definition of Advanced Meter that would be introduced as part of P322 is the same as that which is already due to be introduced under P272.

Phased implementation approach

The Proposer's solution included a mandatory 'start date' from when all Suppliers must have started the migration and an 'end date' by which all applicable MSs must have been

migrated. The Workgroup considered two options for consideration, one based on industry milestones and one on contract end date led milestones.

The Workgroup did not feel that an industry wide mandatory milestone approach was suitable as it did not take in to consideration the contract end dates and therefore could be detrimental to the Customer experience by forcing Suppliers into migrations that do not take into account their contracts.

The Workgroup favoured the Proposer's suggested approach where Suppliers migrate on a CoS or Contract Renewal.

Start Date

Part of the solution for phased migration is a mandatory start date. A Workgroup member asked what 'starting' means. The Workgroup agreed that many Suppliers have already started to migrate sites, but what is meant by a start date under P322 is a date by which all Suppliers must migrate any newly gained sites and any sites that undergo contract renewal.

The Proposer suggested a date of 5 November 2015, which aligns with Approved Modification P300 and the aggregated HH DUoS charges introduced by DCP179. ELEXON had proposed 1 October 2015 for consideration, to align with contract rounds. However, any whole current (WC) MSs before 5 November 2015 would end up on a DUoS charge associated with a site specific current transformer (CT). Therefore, Suppliers are unlikely to move those MSs and any CT MSs on the same contract until 5 November 2015 at the earliest. The Workgroup therefore agreed that the mandated start date should be 5 November 2015.

Issues with concurrent CoS and CoMC

The Workgroup noted that there are existing issues with the CoMC process, which is made more difficult with a concurrent CoS event. This includes issues around the gaining Supplier not knowing which Measurement Class a site is registered to. A Workgroup member advised that Suppliers would have the opportunity to obtain information from the Customer during contract discussions. However, the Workgroup recognised that leeway is needed with the CoMC process, even with changes to improve the process introduced by [CP1409 'Change of Measurement Class process for advanced Meters'](#). The Workgroup therefore agreed to consult on the basis that 30 Business Days would be allowed to complete the CoMC following a CoS or Contract Renewal event.

An attendee from a Supplier Agent asked whether the various BSCP timescales should be extended for Supplier Agents to complete the CoMC and associated activities. Making such changes under P322, which would be time bound, would be problematic. However, with the 30 Business Day leeway coupled with a requirement for Suppliers to consult with Supplier Agents to produce their migration plans', which must be ultimately agreed by the PAB, then the risk should be low and manageable under the PAF.

Issue with knowing type of Metering Equipment installed

A Workgroup member noted that there are issues for Suppliers around knowing whether a given MS is CT or WC metered, which would mean that it couldn't easily agree contracts with Customers as it would not necessarily know the Maximum Import Capacity and which



P300 and DCP179

P300 introduces the new Measurement Classes F and G, which Suppliers will use for aggregated HH DUoS and which supports implemented DCP179. P300 comes into effect on 5 November 2015 (as part of the November 2015 Release). It is from this date that any WC MS that is captured by the P272 requirement can migrate to HH and take advantage of the new aggregated DUoS charges.

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DUoS charge would be applied. It was noted that this has been discussed at the DCMF MIG, which agreed that DSOs should write in May 2015 to the Registrant Suppliers for each relevant MS to advise whether the site is CT or WC metered. The Workgroup noted that populating ECOES was considered by the MDB, but was not taken forward at this time. The Workgroup noted that this issue was outside the scope of the Modification and the BSC's remit but that the BSC Panel and Ofgem are aware of the issue. The Workgroup concluded that this issue would remain irrespective of whether P322 is approved and should therefore be reiterated to Ofgem.

End Date

The solution also includes an extension to the date when all applicable MS must be HH settled. The Workgroup determined that this should be 2 November 2017, subject to the P272 Implementation Date being aligned with this date. However, there were arguments expressed in favour of earlier and later dates (detailed below) and the Workgroup invites industry views on its provisionally agreed date.

Interactions with P272 and other industry changes

CMP241 legal text references P272, then if P322 were to replace P272 then it would cause issues for CMP241. As such, P322 could not realistically replace P272.

Additionally, as P272 is approved with an Implementation Date of 1 April 2016, then any recommendation on an end date when applicable MSs must all be HH settled that is later than the P272 Implementation Date would have no practical effect. However, the Workgroup can recommend to the Panel that it ask the Authority to extend the P272 Implementation Date to align with the P322 end date.

ELEXON advised that any change to the P272 Implementation Date would also inform the Implementation Date for [P320 'Reporting on Profile Classes 5 – 8 Metering Systems after the implementation of P272'](#), which seeks to back out the PARMS and Supplier Charge elements from the P272 solution.

Request For Information

The Ofgem representative suggested that a request for information (RFI) should be issued to understand when contracts are expected to finish and therefore to inform the Workgroup in determining the P322 'end date'.

The Workgroup issued an RFI and considered the results in determining its views for this consultation. However, if any Suppliers wish to respond to the RFI, the Workgroup will consider their responses when it meets after the industry consultation. RFI responses should be submitted in line with the [RFI issued on ELEXON's website](#), and must be submitted by Wednesday 3 June 2015 to ensure they will be able to be considered by the Workgroup.

An attendee from a Supplier Agent noted that many Customers would have contracts in place with Customers for Advanced Meters, which may expire before the Supplier-Customer contract does. As such, they noted that agents might be discussing with Customers the need to migrate to HH before the Supplier has had a chance to communicate with the Customer. The Workgroup noted this but agreed not to seek information from Supplier Agents on agent contract end dates because ultimately any

arrangements for managing migration would be driven by, and would be the responsibility of, Suppliers.

A Workgroup member felt that RFI should take into consideration sites that will have Advanced Meters installed in PC 5-8 in future, as these will then be captured by the P272-P322 requirements. Another Workgroup member agreed. They pointed out that some Suppliers may not be able, or would be reluctant, to provide this breakdown in the timescales available for the RFI, and as such the RFI should seek the total number of PC 5-8 sites; and an estimate of when the Supplier would expect the vast majority of these sites to have an Advanced Meter installed and be settled HH.

The Workgroup agreed this and issued an RFI to establish:

- The number of PC 5-8 MSs with Advanced Meters that have fixed-term contracts that will expire between July 2015 and March 2020, broken down by month.
- The number of these MSs with no working Advanced Meter installed that have fixed-term contracts that will expire between July 2015 and March 2020, broken down by month.

A Workgroup member suggested that the RFI should define what is meant by an Advanced Meter. Another Workgroup member suggested that the respondents should exclude disconnected and de-energised metering points and "evergreen" arrangements. For clarity, ELEXON noted that this should exclude Unmetered Supply (UMS) and Export MSs, which are registered to PC8.

A Workgroup member asked that the RFI should establish the number of these MSs from each category that do not have fixed-term contracts. Another suggested that the RFI should identify the number of PC5-8 MSs Suppliers intend to sign as Non Half Hourly (NHH) contracts before November 2015 and the breakdown by CT/WC.

The Workgroup agreed that ELEXON should issue an RFI to establish the above information. It agreed that it would use this information to inform a decision on an end date.

A Workgroup member asked whether the Workgroup would be making a recommendation based on the last contract date or when 'most' of the industry could be considered to have achieved migration. A Workgroup member suggested that it would be reasonable for the Workgroup to recommend a date based on when 95% of contracts were due to expire, noting that Suppliers could maintain existing NHH contract terms and conditions so long as the relevant sites were still HH settled.

RFI responses and analysis

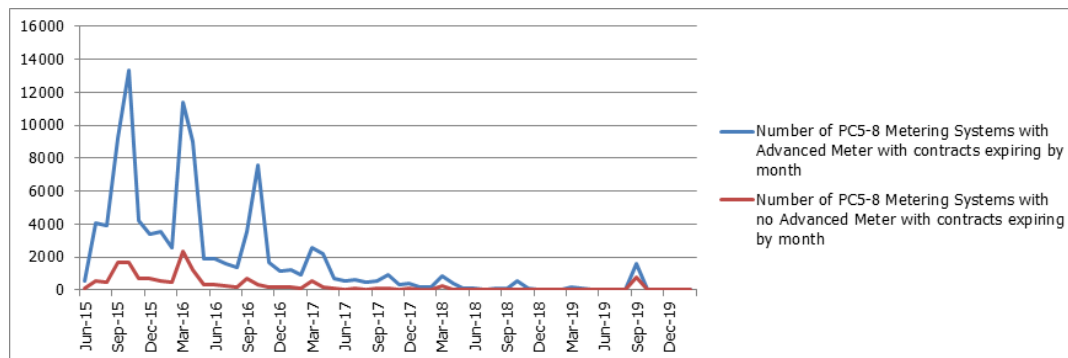
ELEXON received 19 responses from Suppliers, including all of the 'big six', accounting for approximately 90% of all expected PC 5-8 sites. ELEXON and the Workgroup believed that this was sufficient for the Workgroup to determine an 'end date' for use in the consultation.

The collated data (Attachment C) shows the total numbers broken down by month with three thresholds to indicate when 85%, 90% and 95% of contracts would have expired.

The data provided included the total number of sites without Advanced Meters (15,846) that have fixed contract end dates and those without a fixed end date (3,227). The total

number of sites indicated to have no fixed term contracts amounts to 10,161 MSs, 6,934 of which have Advanced Meters installed.

The graph below shows the number of PC5-8 sites (broken down by those with an Advanced Meter and those without) with contracts expiring by month.



Workgroup recommendation on the P272 Implementation Date

The Workgroup agreed to consult on an end date of 2 November 2017 (as part of the November 2017 Release). It noted that this:

- aligns with the BSC Release;
- considers that 93% of contracts are expected to have completed by August 2017 and which allows for leeway for resolving CoMC issues;
- nearly 95% of contracts would have ended by the end of November 2017; and
- would provide two years from the 'start date' for all applicable sites to be migrated, which is greater than the 13½ months industry had previously indicated under P272.

The Proposer was comfortable with this date for consultation. They did however advise that they would be open to considering an alternative end date of 22 February 2018 (as part of the February 2018 Release). They noted that some contracts might end at the end of October 2017, so the November end date (falling almost right at the start of contracts to replace those expiring in October) could be challenging, whereas the February date is at the end of the month. They also noted that the February date would ensure that over 95% of Customers were not adversely impacted.

Conversely, another Workgroup member suggested that 1 April 2017 would still account for 90% of contracts and favoured this earlier date, as the shorter timescales would keep more pressure on Suppliers to migrate. Another Workgroup member agreed, but both supported the November 2017 date for consultation.

A Workgroup member questioned whether the incompleteness of the data, covering only around 90% of all expected PC 5-8 sites, provided the Workgroup with sufficient information. ELEXON suggested that it would appear that it was in Suppliers' interests to provide responses, and that if anything it was more likely that responses received would skew towards provision of information on long term contract dates, though the Workgroup was cautious around this conjecture. The Workgroup agreed that Suppliers that had not submitted RFI responses should have an opportunity to do so.

A Workgroup member noted that P322 would not prevent Suppliers migrating all relevant sites earlier than the end date.

Another Workgroup member noted that there was a vertical rise in contract ends at the start with approximately 30k MSs before the start date of 5 November 2015. They noted that these could theoretically be renewed on a NHH basis before the start date, which could result in these sites being migrated towards the end date (i.e. and this would not show up in the RFI analysis).

The Ofgem representative agreed with the consultation approach to invite views from the industry.

Supplier Migration Plans

A Workgroup member believed that Suppliers should submit credible plans that take into consideration gains as well as its existing portfolio.

A Workgroup member noted that the CoMC would not require a physical change of Meter and would only be a logical change.

The Ofgem representative believed that the implementation approach with a start and end date and with Supplier Migration Plans shouldn't prevent customers choosing to be HH settled earlier. It advised that the solution should avoid any occurrence of contract end fees. This however is outside the scope of P322 and the BSC.

The Ofgem representative noted risks to Settlement around contract round peaks.

The Workgroup agreed that it should be mandatory for Suppliers to submit plans. It did not believe that plans were necessary from Supplier Agents or DSOs. However, it believed that Suppliers should declare that their plans have been agreed with the applicable HH agents.

The Workgroup did not see any benefit in requiring the DSOs to agree plans, though it recognised that DSOs and the TC would benefit from knowing the numbers of MSs migrating for forecasting purposes. The Workgroup did not wish to include a requirement under P322 for SMPs or the total numbers of sites to be provided to either DSOs or the TC because it did not believe it was part of the primary objectives of the Modification. It did however agree that ELEXON should explore whether the total numbers could be shared and to ask in the consultation whether the data should be provided at GSP Group level to the TC or to DSOs.

Assessment Consultation Questions

Do you believe that Suppliers should provide SMP information at a GSP Group level?
Please provide your rationale.

The Workgroup invites you to give your views using the response form in Attachment B.

Monthly updates

The Workgroup also believed Suppliers should provide monthly updates, likely through the OSM, on the progression against the plans and that Suppliers should inform the PAB of any circumstances that would prevent material compliance and seek approval of revised plans.

Any failure to submit plans or updates, or to adhere to plans, could result in escalation to the PAB and/or the Panel, which may ultimately result in Section H Default and removal of

a Supplier's licence. The Workgroup didn't want to use the Error and Failure Resolution (EFR) Processes as this would just be initiated with a request for a plan. However, it recognised that the escalation route under EFR would in effect be mirrored.

The Workgroup agreed that the updates should be reported by the 15th day of the month following the relevant month (i.e. the month being reported upon in the update). ELEXON would present these updates to the PAB in the month following receipt. The Workgroup recognised that this in effect would mean that the PAB would be monitoring two months previous.

ELEXON suggested that the deadline date for updates could be the end of the month after the reporting period, since the updates will not be presented until the second month after the relevant month. The Workgroup invites industry views on this area.

Templates and guidance

The Workgroup requested that ELEXON draft templates for SMP and updates, along with guidance on how to complete these, to be agreed by the PAB as part of implementation of P322.

Monitoring

ELEXON suggested that monitoring is required to establish whether Suppliers are on track with their SMPs. It advised that PARMS changes that would currently be developed under P272 (subject to Modification P320) wouldn't come into effect until the P272 Implementation Date and therefore the 'end date' for P322. Bringing this forward in time to monitor migration from the 'start date' would not be feasible and would be unlikely to be supported by participants. ELEXON advised that it is exploring an option of using ECOES report in place of PARMS for P320, which it could potentially bring in earlier. At the time of the first Workgroup meeting, ELEXON did not have the details as to whether the data could be used. It has since been established that a licence could be granted on an annual basis if supported by two Suppliers and one DSO and then ultimately approved by the Master Registration Agreement (MRA) Executive Committee (MEC).

The attendee from ElectraLink offered that it has access to the data flows sent over the Data Transfer Network (DTN) so could provide a good view of the CoS-CoMC process. ELEXON noted that only approximately 75% of data flows are sent over the DTN so it would not necessarily give a complete picture.

A Workgroup member noted that the BSC Auditor already checks CoMC. However, another Workgroup member thought that the auditor would not provide its findings in sufficient time for the PAB. In addition, the auditor only samples one percent of the 100kW HH market, which would mean that the scope would have to be extended and would not necessarily give a full picture of migration.

ELEXON advised that it has considered ways of monitoring Suppliers' migration plans without any independent reports. It has some concerns that it could not provide the necessary assurance to the PAB that Suppliers were on track with their plans. The concerns include:

- monitoring at a Supplier level could be unfair if there were individual targets for Suppliers where one Supplier had a target greater than another and could increase timescales;

- monitoring at a MS ID level could lengthen the process if it was Supplier provided information (though monitoring using ECOES data, as is being considered by P320 wouldn't be so onerous and would mirror the monitoring of PARMS Serial SP04); and
- Supplier self-declaration could be perceived as not robust and could make it questionable whether ELEXON could provide meaningful support to the PAB.

Instead, ELEXON suggested that monitoring could be performed at an industry level with blanket criteria that would be less ambiguous. However, the Workgroup noted that due to the likely varying contract lengths between different Suppliers, one Supplier could 'fail' against the criteria if the bulk of its contracts expired later than the industry average.

The Workgroup ruled out developing specific methods for monitoring and agreed that this should be left to the PAB and ELEXON to establish, taking into consideration the conclusions of the P320 Workgroup and the P320 Authority decision.

7 Workgroup's Initial Conclusions

The majority of the Workgroup agreed that the P322 Proposed Modification would overall better facilitate the Applicable BSC Objectives compared with the existing baseline and should therefore be approved.

The following table contains the Workgroup's initial views against each of the Applicable BSC Objectives.

Does P322 better facilitate the Applicable BSC Objectives?		
Obj	Proposer's Views	Other Workgroup Members' Views ³
(a)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer
(b)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer
(c)	<ul style="list-style-type: none"> Yes <ul style="list-style-type: none"> Present implementation timescales for P272 have the potential to disrupt customers unnecessarily. Additional time for implementation could allow Suppliers to choose an implementation path that would reduce this impact. This could help Suppliers facilitate positive engagement with customers, particularly when considering new types of products. Effective competition is unlikely to happen in a market with a disengaged customer base, this is particularly pertinent for P272 given that much of the benefits case is built upon customer engagement and participation with new products, which may include Time of Use products (ToU) that can reduce peak load and associated costs. In addition, Suppliers who are in a position to meet or exceed the existing Implementation Date may be able to offer HH services to new customers, therefore putting competitive pressure onto other Suppliers to transition quickly. 	<ul style="list-style-type: none"> Yes (majority) – as Proposer No (minority – one) – doesn't help competition as provides a long period of uncertainty for customers in respect to pricing. The migration period should therefore be as short as possible.



What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

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³ Shows the different views expressed by the other Workgroup members – not all members necessarily agree with all of these views.

Does P322 better facilitate the Applicable BSC Objectives?		
Obj	Proposer's Views	Other Workgroup Members' Views ³
(d)	<ul style="list-style-type: none"> Extending the P272 implementation time will ease capacity system and development costs for industry participants and increase how efficiently developments can be made alongside other industry requirements. Additionally, many Suppliers stated in the recent BSC Panel 'P272 Extension' consultation that they would be unable or at least would struggle to achieve the existing P272 Implementation Date. An extension would lead to a more economic and efficient implementation than the present mandated timescales. 	<ul style="list-style-type: none"> Yes (majority) – as Proposer Neutral (minority – one) – there are pros (as set out by the Proposer and supported by the Workgroup) and cons (the overall delay in the migration of sites) for efficiency, so overall the Modification is neutral in terms of efficiency.
(e)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer
(f)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer

Assessment Consultation Question

Do you agree with the Workgroup's initial view that P322 does better facilitate the Applicable BSC Objectives than the current baseline?

Please provide your rationale.

The Workgroup invites you to give your views using the response form in Attachment B.

Appendix 1: Workgroup Details

Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P322 Terms of Reference

To what extent should the solution dictate the PAB's actions; and how much discretion should the PAB have? What powers should the PAB be given and what requirements should be placed on it?

What monitoring requirements should be put in place to support the PAB?

Participant migration plans

- When should participants provide these?
- How frequent should these be provided?
- What information should participants provide?
- What criteria should the PAB use to determine the appropriateness of the plans?
- Should there be set standards linked to set dates that Suppliers should meet as part of the migration?
- What steps should be taken if plans are not approved by given dates
- What steps should be taken if participants do not meet approved milestones

What should the implementation approach be in terms of a phased approach with a start and end date? What interactions would this have with P272 Implementation Date and any other related industry changes? What milestones, if any should be in place; and should these have specific performance standards associated with them?

What further assurance is required to address the risks and issues identified in the Authority's decision letter on P272 implementation delay (Attachment B)?

What changes are needed to BSC documents, systems and processes to support P322 and what are the related costs and lead times?

Are there any Alternative Modifications?

Does P322 better facilitate the Applicable BSC Objectives than the current baseline?

Assessment Procedure timetable

P322 Assessment Timetable

Event	Date
Panel submits P322 to Assessment Procedure	29 Apr 15
Workgroup Meeting 1	13 May 15
Workgroup Meeting 2	20 May 15
Workgroup Meeting 3 (via teleconference)	22 May 15
Assessment Procedure Consultation	22 May – 5 Jun 15
Workgroup Meeting 4	8 Jun 15
Panel considers Draft Modification Report	11 Jun 15

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Workgroup membership and attendance

P322 Workgroup Attendance				
Name	Organisation	13 May 15	20 May 15	22 May 15
Members				
Dean Riddell	ELEXON (<i>Chair</i>)	✓	✓	✓
Simon Fox-Mella	ELEXON (<i>Lead Analyst</i>)	✓	✓	✓
Richard Vernon	RWE npower (<i>Proposer</i>)	✓	✓	☎
Stacey Buck	Brookfield Utilities UK	✓	☎	✗
Tom Breckwoldt	Gazprom Energy	✓	✓	✗
Mark McGuire	G4S Utility and Outsourcing Services (UK) Limited	✓	✗	✗
David Crossman	Haven Power	✓	✗	☎
Colin Frier	Siemens plc	✓	✓	☎
Clare Hannah	IMServ	✓	✓	☎
Peter Gray	SSE	✓	✓	☎
Colin Prestwich	SmartestEnergy Ltd	✓	☎	☎
Tim Newton	E.ON	✓	✓	✗
Ed Sutton	Stark	✓	✓	☎
Eric Graham	TMA	✓	✓	☎
Chris Carberry	ScottishPower	✓	☎	☎
Gregory Mackenzie	British Gas	✓	✓	☎
Steve Whitehead	Bglobal	✓	✗	☎
Jonny Moore	GDF Suez	✓	✓	✗
Jacqueline Knighton	Opus Energy	✓	✗	✗
Julia Haughey	EDF (<i>Supply</i>)	✓	✓	☎
Vijay Chikoti	Total Gas & Power	✓	✓	✗
Dermot Hearty	Salient Systems Limited	✓	☎	☎
Attendees				
Justina Miltienyte	ELEXON (<i>Technical Expert</i>)	✓	✓	✓
Kathryn Munday	ELEXON (<i>Technical Expert</i>)	✓	✗	✗
Oliver Meggitt	ELEXON (<i>Technical Expert</i>)	✗	✓	✓
Nick Brown	ELEXON (<i>Lead Lawyer</i>)	✓	✓	✗
Johnny Amos	Ofgem	✓	✓	☎
Catherine Halls-Jukes	Siemens plc	✓	✗	✗
Alex Warren	Stark	✓	✗	✗
Rhydian Bevan	EDF (<i>Supply</i>)	✗	✓	☎
Ian Scougal	ElectraLink	☎	✗	✗

P322 Workgroup Attendance				
Name	Organisation	13 May 15	20 May 15	22 May 15
Damian Clough	National Grid			
Andy Cooper	Statkraft	x	✓	x
Seth Chapman	G4S Utility and Outsourcing Services (UK) Limited	x		x
Michael Houston	ScottishPower		x	x
Harriet Harmon	E.ON	x	x	
Paul Bedford	Opus Energy	x	x	
Mandy Dempsey	Total Gas & Power	x	x	

Appendix 2: Glossary & References

Acronyms

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
CoMC	Change of Measurement Class
CoS	Change of Supply
CP	Change Proposal
CT	Current Transformer
DCUSA	Distribution Connection and Use of System Agreement
DSO	Distribution Systems Operator
DTN	Data Transfer Network
DUoS	Distribution Use of System
HH	Half Hourly
HHDA	Half Hourly Data Aggregator
HHDC	Half Hourly Data Collector
HHMOA	Half Hourly Meter Operator Agent
MEC	The MRA Executive Committee
MRA	Master Registration Agreement
MS	Metering System
MSID	Metering System ID
NHH	Non Half Hourly
PAA	Performance Assurance Administrator
PAB	Performance Assurance Board
PAT	Performance Assurance Technique
PC	Profile Class
RFI	Request for information
SMP	Supplier Migration Plan
TC	Transmission Company
WC	Whole Current

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
3	P272 page on the ELEXON website	http://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
4	Panel 206 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-206/
4	P272 Regulatory Impact Assessment page on the Ofgem website	https://www.ofgem.gov.uk/publications-and-updates/balancing-and-settlement-code-bsc-p272-mandatory-half-hourly-settlement-profile-classes-5-8-%E2%80%93-draft-impact-assessment-consultation
4	Authority direction to the Panel	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
4	DCP179 page on the DCUSA website	http://www.dcusa.co.uk/Public/CP.aspx?id=201
4	Panel 221 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-221/
4	P300 page on the ELEXON website	http://www.elexon.co.uk/mod-proposal/p300/
5	Panel 234 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-234/
5	Panel 235 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-235/
5	Authority decision in response to Panel request to delay P272	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
9	BSC Section page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
14	CP1409 page on the ELEXON website	https://www.elexon.co.uk/change-proposal/cp1409/
15	P320 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p320/
22	P322 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p322/