

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

P347 'Relaxing R1 Read performance'

This Modification seeks to reduce the read Settlement Performance Level at the First Reconciliation Volume Allocation Run (R1) for Half Hourly (HH) Metering Systems in Measurement Classes "F" and "G".

This Assessment Procedure Consultation for P347 closes:

5pm on Wednesday 19 October 2016

The Workgroup may not be able to consider late responses.



The P347 Workgroup initially recommends **approval** of P347

This Modification is expected to impact:

- ELEXON
- Suppliers

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Contact

Royston Black

020 7380 4203

royston.black@elexon.co.uk



About This Document

The purpose of this P347 Assessment Procedure Consultation is to invite BSC Parties and other interested parties to provide their views on the merits of P347. The P347 Workgroup will then discuss the consultation responses, before making a recommendation to the BSC Panel at its meeting on 10 November 2016 on whether or not to approve P347.

There are three 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 P347.

Attachment B contains the alternative draft redlined changes to the BSC for P347.

Attachment C 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.

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Why Change?

HH Agents face higher costs than those operating as Non Half Hourly (NHH). This is seen as a barrier to elective HH Settlement. Therefore options for preventing such higher charges have been assessed by the industry.

The current Settlement Performance Level of 99% for Measurement Classes "E", "F" and "G" was introduced by [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) and [P300 'Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes \(DCP179\)'](#). The Settlement Performance level of 99% applies to R1, R2, R3 and RF. The proposal is to amend the performance level for R1 only.

There is concern that a Settlement Performance Level of 99% may not be achievable during the roll out of Smart Meter Technical Specification (SMETS) certified meters. Many of the earliest SMETS meters are managed by Smart Meter Service Operators (SMSOs) and have technical challenges that make issue resolution by R1 challenging. This has been identified as a potential barrier to elective half-hourly settlement.

Solution

P347 proposes to reduce the read Performance Level at R1 for HH customers in Measurement Classes "F" and "G".

Impacts & Costs

P347 will impact Suppliers and Suppliers and Supplier Agents.

P347 will impact the Supplier Volume Allocation Agent (SVAA) and Pool Application (PA) systems. The central implementation costs will be approximately £25,000.

Implementation

P347 is proposed for implementation on **29 June 2017** as part of the June 2017 BSC Systems Release.

Recommendation

The Workgroup's initial majority view is that P347 **better** facilitates Applicable BSC Objective (c) and therefore initially recommends that P347 should be **approved**.

Measurement Classes

The Measurement Class of a Metering System reflects how it is settled i.e. HH or NHH. There are currently seven Measurement Classes:

- A: NHH metered
- B: NHH Unmetered Supply (UMS)
- C: 100kW or above HH metered
- D: HH equivalent UMS
- E: Non-mandatory HH metered
- F: Half Hourly Metering Equipment at below 100kW Premises with current transformer or whole current, and at Domestic Premises
- G: Half Hourly Metering Equipment at below 100kW Premises with whole current and not at Domestic Premises

2 Why Change?

History of the change

On 5 April 2016, Ofgem held a workshop on the future of Electricity Market Elective HH Settlement. This was to further investigate issues raised in response to the [December 2015 open letter on HH Settlement](#).

In May 2016 a [conclusions paper](#) was published. Under section 3.13 of the paper it was recommended that a Supplier should raise a Modification to the BSC to reform the Performance Level for HH sites. Npower submitted this Modification Proposal P347 on 29 Jun 2016.

What is the issue?

Impacts of the current HH Performance Level

The Performance Levels under the BSC are more stringent for HH than for NHH sites. For HH sites below the 100kiloWatt (KW) threshold, Suppliers must settle 99% of volumes based on actual Meter read's by the First Reconciliation Run (R1, around two months after delivery) as set out in BSC Annexe S-1. This is the standard that would currently be applied to elective HH Metering Systems. In contrast, a Supplier only needs to settle 30% of NHH volumes based on actual reads at the same stage. This reflects that NHH sites have historically required a site visit to read the Meter.

Relaxing the rules on how frequently HH data must be submitted into Settlement could potentially reduce the costs of HH Settlement. Suppliers and Supplier Agents would face increased costs if they were required to try and resolve read collection issues through physical site visits to correct faults within the R1 window. Costs would be driven by complexity in arranging visits and access to domestic properties and diverting skilled staff from the on-going SMETS roll out mandated for completion by 2020.

Failing to meet the read Performance Level is primarily an issue of compliance with the BSC, rather than one with direct financial consequences. When a Supplier fails to meet certain BSC performance measures, it will incur Supplier Charges. These compensate other Suppliers for the costs of the failure. However, the Performance Level for HH sites below the 100kW threshold only attracts Supplier Charges at the Reconciliation Final (RF) run, around 14 months after delivery. The only possible action that may result from failure to achieve 99% at R1 is referral to Error and Failure Resolution (EFR) by Performance Assurance Board (PAB).

HH Supplier Agents face higher costs than those operating as NHH. This is seen as a barrier to Elective HH Settlement. Therefore options for preventing higher charges have been assessed by the industry.

The current Performance Level of 99% for Measurement Classes "E", "F" and "G" was introduced by Approved Modifications [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) and [P300 'Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes \(DCP179\)'](#). Approved Modification [P338 'Consequential changes to P272 legal text'](#) further clarified the legal text in respect to these two Modifications in light that P272 would have overwritten the legal text introduced by P300.

Benefits of the change

Potential benefits of reducing the R1 read performance include:

- Make it less urgent for Supplier Agents to visit sites. At the first P347 Modification Workgroup, one stakeholder said that a lower Performance Level could allow repairs to be made next time there is a van in the area and would cost less than a specific trip. Equally a missing read could be the result of an intermittent communication signal, which over time improves without the need for a further site visit.
- Smart roll out is different to AMR in that there are a large volume of small supplies versus a small volume of large supplies, and that site visit costs for suppliers of small sites are proportionally significantly higher.
- Allow optimisation of how frequently remote reads are taken from advanced or non-Data Communications Company (DCC)-enrolled smart Meters, to manage communications costs.
- Allow more time to manage exceptions in data validation.
- Help manage any temporary uncertainty about the performance of smart Meters, particularly in the early stages of the roll-out.

This change would only affect the minimum performance standards that Suppliers (and their Agents) have to meet. Suppliers would be free to agree a higher level of performance with their Agents, which might be for a number of reasons.

Proposed solution

The current requirements state that Suppliers should Settle 99% of energy consumption on 'Actual Reads'.

This Modification seeks to reduce the read Performance Levels to 90%, at R1 for HH customers in Measurement Classes "F" and "G". There is a cessation date included in the Modification of 01 January 2020 from which the 99% Performance Level would become standard again.

The Proposed Solution requires creation of new CCCs in Market Domain Data (MDD) and alterations to ELEXONs SVAA and PA systems to enable the separation of HH Measurement Classes in Performance Assurance Reporting and Monitoring System (PARMS) reporting.

Legal text

Changes to the text of section 2.2 of BSC Annexe S-1 are required for both the preferred and the Alternate Solutions detailed in Attachments A and B. The proposed changes to the BSC to deliver P347 can be found in Attachment A.

Assessment Consultation Question

Do you agree that the draft legal text in Attachment A delivers the intention of P347?

Please provide your rationale.

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

Potential alternative solutions

The proposer originally suggested that the reduction could apply to Measurement Class "E" as well as "F" and "G". This solution would be simpler to implement but was discounted by the Workgroup. The Workgroup suggested that although applying the reduction to all three measurement classes would ensure that all MSIDs in Profile Classes 1-4 would be included, it would also include a number of other Profile Classes and increase the potential for poor performance going unchallenged.

A member of the Workgroup suggested that the reduction in Performance Level could only be applied to Measurement class "F" as this is where the majority of SMETS meters will be included. This is the agreed alternate solution but is not the primary solution as it does not cover all Profile Classes 1-4 as a number of these are included in Measurement Class "G".

Assessment Consultation Question

Do you have any potential Alternative Modifications within the scope of P347 which would better facilitate the Applicable BSC Objectives?

Please provide 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 C.

4 Impacts & Costs

Estimated central implementation costs of P347

Implementation of the solution will require the creation of additional CCC's. The impact assessment undertaken by ELEXON and our service providers indicated this would involve changes to Supplier Volume Allocation Agent (SVAA) and PA and incur a cost of £25,000. Implementation of the change would take a minimum of 10 weeks.

A minor change would be required to PARMs reporting at no additional cost.

Indicative industry costs of P347

The implementation of P347 is not expected to require any effort from any BSC Party or Party Agent. Equally, no on-going costs or impacts from industry participants are anticipated. However, the Workgroup seeks confirmation of this through this Assessment Consultation.

Assessment Consultation Questions

Will P347 impact your organisation?

If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of P347 and the P347 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.

Will your organisation incur any costs in implementing P347?

If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.

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

P347 impacts

Impact on BSC Parties and Party Agents

Party/Party Agent	Impact
Suppliers	Reduction in requirement at R1 for PAB review from 99% to 90% for Measurement Classes "F" and "G"

Impact on Transmission Company

None anticipated

Impact on BSCCo

Area of ELEXON	Impact
Disputes and Compliance	EFR is not currently used as R1 for Measurement Classes "E", "F" and "G", however it is being considered as volumes increase. There is no current impact but this may change by the date that P347 is implemented.

Impact on BSC Systems and process

BSC System/Process	Impact
SVAA	Updates to various data items to reflect new CCC's
Pool Application (PA)	Update to Library file

Impact on Code

Code Section	Impact
Annex S-1	Changes to paragraph section 2.2 see attachment's A and B for details.

5 Implementation

Recommended Implementation Date

The Workgroup recommends an Implementation Date of 29 June 2017, as part of the June 2017 BSC Release. This would align with other Half Hourly Settlement related Market reforms.

It should be noted that Proposed Modification P339, if approved, will deliver all the system changes required to enable P347 in an ad-hoc release on 1 April 2017. There is a possibility that this would result in the P347 Implementation Date being brought forward to align with P339 by the Authority.

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 C.

Why is this Modification required?

As part of its discussions, the P347 Workgroup questioned the need for this Proposed Modification for the following reasons:

- It is Elective to move Meter System Identifiers (MSID's) into Measurement Classes "E", "F" and "G". AMR metered PC5-8 sites have to move to HH under the mandate of The Code subject to P272 requirements. Under P272 metering should be settled under the appropriate MC. The majority of these should be MC "E".
- DCC is required to ensure the communications network is performing
- Suppliers have 60 days to resolve any issues
- There are no supplier charges for failing to achieve 99% at R1
- Is perceived risk of failing to reach read targets creating a barrier to elective HH settlement

One Workgroup member queried why is the 99% R1 threshold a barrier to Elective HH Settlement. The Proposer indicated that the Modification was drawn from responses and conclusions in the Ofgem consultation on barriers to Elective HH Settlement. Ofgem added that industry wide consultation and discussion had been conducted over several months, with several respondents raising this issue as a potential barrier. Ofgem also commented that DCC obligations cannot be relied upon for compliance with BSC. The Workgroup expressed a reluctance to reduce standards that currently maintain integrity and support competition in the market.

A member challenged the number of meters that would be affected by this proposed Modification. There is no Smart Metering Equipment Technical Specifications 2 (SMETS2) meters currently installed and all Smart Metering Equipment Technical Specifications 1 (SMETS1) meters are currently managed by SMSOs. Further delays to DCC and the planned enrolment of SMETS1 meters, suggests limited numbers of meters would be affected. Another Workgroup member countered that this reduction, although temporary, would extend until completion of the SMETS roll out and would mitigate any early issues caused by the use of SMSOs or early network stability.

Workgroup members highlighted concerns that the Modification seemed to be based on 'fear of the unknown'. A member suggested that this Modification was not the key to HH Settlement and there are bigger barriers. There is no current evidence that sites Elected into HH Settlement are failing to hit the existing 99% Performance Level. Further, lowering the Performance Level for R1 in Measurement Classes "E", "F" and "G" could set a precedent for reducing other performance measures. A member also suggested that as HH Settlement provides certainty on cash flow it is already in suppliers interests to elect to settle this way.

Ofgem agreed it is more efficient to settle using HH data but suggested that if the standards are set to high, no-one will enter Elective Settlement. Ofgem acknowledged that 90% remains a tough target and this is only meant to provide a permissive environment to encourage early adoption. Ofgem added that Standards still fill an important role, it's about adapting them and we can change them again over time. This Modification alone will not remove all barriers to Elective HH Settlement but is intended as part of a wider set of reforms which are in progress.

A member pointed out that the current Performance Level drives resolution of problems, lowering the threshold may reduce the effort and focus on those issues. ELEXON suggested there could be an agreement to not apply the standard for a short period, can this not just be a PAB decision? A Member pointed out that this would not provide sufficient clarity for BSC parties and therefore not reduce any concerns about being penalised for Electing to Settle HH.

Another Member queried what a typical PAB response would be to failing to hit 99% at R1. A Member indicated that should a Party miss the target threshold, it is non-compliant with the BSC and potentially with the Licence Conditions (LCs). Where this happens, the Party must account for the issues at PAB. A Member asked if this process and the outcome is at PAB's discretion? Another Member confirmed that the issues would enter the EFR process, with PAB using their discretion only over the resolution path.

Some Members of the Workgroup supported the Modification as it would provide clarity on requirement at R1. Providing the necessary space to enable Suppliers to roll out of SMETS whilst developing long term solutions to any read issues without excessive costs.

Is 90% the correct target?

The Workgroup considered whether 90% is best suited for the new Performance Level at R1. The Proposer replied that this figure was suggested to Ofgem by respondents to the consultation on Barriers to Elective HH Settlement. Ofgem confirmed that the 90% threshold was put forward by attendees to a Stakeholder Workshop during the consultation with no specific rationale. In broader terms 90% was deemed to be a significantly big enough reduction to achieve the aims without being so big it would be detrimental. A Member asked what the DCC targets are, and whether the BSC Performance Level could be aligned to the DCC target. Another Member confirmed the DCC target is 98%. However, ELEXON and Ofgem suggested that the DCC and BSC performance should be separate as they are designed to resolve different issues and challenges. The DCC standard is set to drive reliability in the communications network it is separate from faults resolution at meter level.

The Workgroup considered whether the HH Agent costs associated with P347, acted as a disincentive? It is unlikely that Data Collectors (DC) or Data Aggregators (DA) would incur any marginal costs. A Member suggested that it depends on the individual Suppliers contract with their Meter Asset Manager (MAM). The Suppliers will have agreed service levels within the contracts any work that's required to be completed urgently will incur higher costs. Another Member suggested that the current targets encouraged Suppliers to incentivise Meter Operators (MOPs) and MAM's to get installations right first time. ELEXON suggested that the Workgroup should stick with the proposed 90%. A Member agreed that if the issue is confidence in not being subject to EFR for circumstances outside of their control 90% is a significant shift that should increase it. The Workgroup agreed.

Assessment Consultation Question

Do you agree with the Workgroup's initial view that 90% is an appropriate reduction in Performance Level at R1?

Please provide your rationale

Do you agree that a reduction in R1 Performance Level from 99% to 90% will encourage you to utilise Elective HH Settlement?

Please provide your rationale

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

Should Modification P347 include a sunset clause?

The Workgroup discussed the idea of including a 'sunset clause' in the Modification to ensure the reduction in Performance Level was temporary. Three options were put forward as possible triggers for the clause.

1. When HH Settlement becomes mandatory
2. When a specified volume of Elective HH sites is reached
3. When DCC enables capability to adopt SMETS1

The Workgroup agreed that none of these suggested triggers were ideal as they are all events rather than fixed dates. A member suggested that the third suggestion was the most beneficial, and should be the trigger for a 6 month period before the 99% becomes enforced again. Another member suggested a graded return to 99% over the 6 month period but this was rejected as unnecessarily complex. A member suggested that there should be a fixed date beyond which the Performance Level for R1 returns to 99% as potentially SMETS1 adoption could be delayed indefinitely. The Workgroup agreed this was sensible. In the second Workgroup this was revisited, one Member suggested that the fixed date should be far enough ahead to establish if P347 was having a positive effect on HH Settlement and provide enough time to raise a Modification to extend it if required. Another Member agreed and added that this would give opportunity to complete a 'proof of concept' and prove the benefits of the reduction in Performance Level. A member suggested the date of 1 January 2020 as the Sunset Clause effective date and the Workgroup agreed this was sensible.

Assessment Consultation Question

Do you agree with the Workgroups initial view that P347 should include a 'Sunset Clause'?

Please provide your rationale.

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

Assessment Consultation Question

Do you agree with the Workgroups initial views on the trigger point for the 'Sunset Clause' and the 6 month window before the Performance Level returns to 99%?

Please provide your rationale.

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

Do cash flow implications manifest through implementation of P339 and P347?

The P347 Workgroup discussed the potential for impacts. One Member questioned if there was an impact on Micro-generation. The Workgroup felt this was unlikely for P347 if we only apply it to Measurement Classes "F" and "G".

Group Correction Factor (GCF) was also discussed. The Workgroup agreed that if [P339' Introduction of new Consumption Component Classes for Measurement Classes E-G'](#) is implemented there would be no new implications, as a Scaling Weight of 1 is added to Domestic HH, further GCF will not change as it is still using the same Mega Watt Hour (MWH) distribution.

One Member stated that if P339 is rejected and large volumes of Meter points are elected to HH Settlement there would be implications on cash flows between reconciliation points. This would affect Traders ability to forecast. In NHH Settlement the behaviour of individual consumers is averaged over time, which removes the impact of individual behaviours. HH Settlement makes you more exposed to consumption changes. However, another Workgroup member suggested that in this scenario and others there are numerous variables and all of them would need to be true to manifest an issue. It was noted that as the preferred Solution involves implementation of many of the changes planned in Proposed Modification P339 this further reduces any risk.

What interactions with P339 need to be considered?

A Member noted that P347 may have a dependency on P339 if new Consumption Component Classes are required.

ELEXON advised the Workgroup that the preferred solution of separation of Measurement Class "E" from "F" and "G" will not be possible without new CCC's for "F" & "G". It is not possible to progress this Modification with a dependency on P339 as it may get rejected. Therefore we would need to propose creating new CCC's for "F" and "G" in this Modification. A Member suggested another way to separate "E" from "F" and "G" would be to use Line Loss Factor (LLF) through the D40 Flows. ELEXON noted that this may not be appropriate as there was a dependency on distributors updating the flows correctly.

The Workgroup discussed potential impacts on accuracy of Measurement Class "E" through including it in the performance reduction. It was noted that current performance of "E", "F" and "G" was 90.25% at R1 and 78% at SF.

Assessment Consultation Question

Do you agree with the Workgroups recommended solution that 90% at R1 should only be applied to Measurement Classes "F" and "G"?

Please provide your rationale.

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

What will the interaction be between P347 and Approved Modifications P272 and P338?

A Member suggested that P347 could impact ELEXON's ability to measure the success of P272 for one year. It was suggested that ELEXON would still know the performance but it would not be chargeable. Ofgem responded that R1 performance is not charged now; it is where ELEXON identifies issues and encourages Parties to fix them. ELEXON indicated the

impact would be at PAB where decisions would need to be made on what action to take. A Member said that PAB will approach Suppliers with an issue and get rejected as there is no penalty for failed to meet the requirement. This does however already happen at the 99% threshold which may be another argument for not reducing it. ELEXON countered that it only needs to be able to monitor performance and advise Suppliers before Reconciliation Final (RF).

What changes are needed to BSC documents, systems and processes to support P347 and what are the related costs and lead times?

Implementation of the preferred Solution will require changes to the legal text in Annex S-1 of the BSC. The proposed legal text is detailed within Attachment B.

ELEXON will also need to update the SVAA and PA systems to recognise and translate the additional CCCs required to enable the solution. The Impact Assessment has indicated this will cost £25,000 and take 10 weeks to complete. Should Proposed Modification P339 be approved the required work will be delivered as part of that Modification at no additional cost to those already quoted by P339. An update will also be required to PARMS to enable production of the new reporting. The Workgroup was comfortable that the costs and timeline were reasonable for the benefits of the proposed Solution.

Are there any alternative Modifications?

Four alternative Modifications were discussed by the Workgroup:

1. Do nothing and allow PAB to use discretion in enforcement of the R1 requirement
2. Apply the reduction to 90% at R1 to Measurement Classes "E" "F" and "G"
3. Apply a target of 90% to Measurement Class "F" and 95% to Measurement Class "G"
4. Apply the reduction to 90% to Measurement Class "F" only

The Workgroup felt that Proposed Alternative 1 would not achieve the intended benefits of Proposed Modification P347 and would not provide the necessary clarity for Suppliers.

Proposed Alternative 2 would apply the performance reduction to meters that were not intended within the scope of P347 and would have implications for identifying issues with non SMETS and Current Transformer (CT) meters Settlement.

The Workgroup decided that Proposed Alternative 3 would add unnecessary additional complexity to the Modification. ELEXON added that this would require an additional three sets of reporting from PARMS.

The Workgroup agreed that Proposed Solution 4 presented the best alternative to the recommended solution. There were concerns that only applying the reduced requirement to Measurement Class "F" may miss significant numbers of other meters in Profile Class 1-4 that are currently with Measurement Class "G".

Impact on Metered Measurement Classes			
Profile Class Id	Profile Class Description	Current (NHH) MC	HH MC
1	Domestic Unrestricted	A	F ¹
2	Domestic Economy 7	A	F ¹

¹ Suppliers may register CT domestic sites to Measurement Class "E", however the expectation is that these will remain on "F".

Impact on Metered Measurement Classes			
3	Non-domestic Unrestricted	A	E or G
4	Non-domestic Economy 7	A	E or G
5	Non-domestic, MD, load factor 0-20%	A	E or G
6	Non-domestic, MD, load factor 20-30%	A	E or G
7	Non-domestic, MD, load factor 30-40%	A	E or G
8	Non-domestic, MD, load factor 40%+	A	E or G

Impact on Unmetered Measurement Classes			
Profile Class Id	Profile Class Description	Current (NHH) MC	HH MC
1	Domestic Unrestricted	B	D
8	Non-domestic, MD, load factor 40%+	B	D



Should Modification P347 be approved or rejected?

The Workgroup unanimously agreed that the Proposed Solution to reduce the read Performance Levels at R1 for HH customers in Measurement Classes "F" and "G" should be taken to Assessment Consultation. Application of the reduction in read Performance Level to 90% for only Measurement Class "F" should be the agreed Alternate Solution.

Does P347 better facilitate the Applicable BSC Objectives?

The Workgroup voted by majority that P347 does better facilitate Applicable BSC Objectives (c) and by Majority that it does not support Applicable BSC Objective (d). It was felt that reduction in Performance Level could not be justified as promoting efficiency in the BSC.

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

Does P347 better facilitate the Applicable BSC Objectives?

Obj	Proposer's Views	Other Workgroup Members' Views ²
(c)	<ul style="list-style-type: none"> Yes - the Proposer believes implementation of a less stringent, more achievable performance target will encourage facilitation and take up of Elective HH Settlement, thereby promoting competition. 	<ul style="list-style-type: none"> Yes (majority - nine) – As proposer Neutral (minority –one) - Member abstained as they did not believe any change is required
(d)	<ul style="list-style-type: none"> Yes - the Proposer believes this Modification will provide a more realistic performance target and therefore make the agreement more efficient to operate. 	<ul style="list-style-type: none"> Yes (minority – 2) – as proposer Neutral (minority – one) No (majority – seven) disagreed that P347 will promote efficiency

Assessment Consultation Question

Do you agree with the Workgroup's initial unanimous view that P347 does better facilitate the Applicable BSC Objectives than the current baseline?

Please provide your rationale with reference to the Applicable BSC Objectives.

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

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² Shows the different views expressed by the other Workgroup members – not all members necessarily agree with all of these views.

Appendix 1: Workgroup Details

Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P347 Terms of Reference

What interactions with P339 need to be considered?

What will the interaction be between P347 and Approved Modifications P272 and P338?

What changes are needed to BSC documents, systems and processes to support P347 and what are the related costs and lead times?

Are there any alternative Modifications?

Does P347 better facilitate the Applicable BSC Objectives than the current baseline?

Should P347 be treated as a Self-Governance Modification?

Assessment Procedure timetable

P347 Assessment Timetable

Event	Date
Present Initial Written Assessment to Panel	14 Jul 16
Initial Workgroup Meetings	W/C 01 Aug 16
Further Workgroup Meetings	22 Sept 16
Assessment Procedure Consultation (13WD)	28 Sept – 17 Oct 16
Final Workgroup Meeting	W/C 24 Oct 16
Present Assessment Report to Panel	10 Nov 16
Report Phase Consultation (13WD)	11 Nov 16 – 29 Nov 16
Present Draft Modification report to Panel	08 Dec 16

Workgroup membership and attendance

P347 Workgroup Attendance			
Name	Organisation	25 Jul 16	22 Sep 16
Members			
David Kemp	ELEXON (<i>Chair</i>)	✓	✗
Jemma Williams	ELEXON (<i>Chair</i>)	✗	✓
Royston Black	ELEXON (<i>Lead Analyst</i>)	✓	✓
Andy Baugh	Npower (<i>Proposer</i>)	✓	☎
Barney Scott	OVO	✓	✓
David Finnemore	Engie	✓	✓
Ed Sutton	Stark	✗	✗
Eric Graham	TMA	✓	✗
Gregory Mackenzie	British Gas	✗	✓
James Murphy	Stark	✓	✓
Seth Chapman	G4S	✓	✗
Tim Newton	Eon	✗	✓
Kristian Pilling	SSE	☎	✓
Paul Akrill	IMSERVE	✓	✓
Philip Russell	Independent	✓	✓
Attendees			
Elliot Hall	ELEXON (<i>Design Authority</i>)	✗	✓
Kevin Spencer	ELEXON (<i>Design Authority</i>)	✓	✗
Nicholas Brown	ELEXON (<i>Lead Lawyer</i>)	✓	✗
Kathryn Gay	ELEXON (<i>Settlement Operations</i>)	✓	✗
Paulina Stelmach	ELEXON (<i>Settlement Operations</i>)	✗	✓
Oliver Meggitt	ELEXON (<i>Operation Support Manager</i>)	✓	✗
Martin Bell	Ofgem	✓	✓
John Guest	CGI	✗	☎
Andy Howden	CGI	✗	☎
Andy Colley	SSE (non voting member)	✓	✗
Chris Rotherham	Opus (non voting member)	✓	✓

Appendix 2: Glossary & References

Acronyms

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

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code (industry Code)
CCC's	Consumption Component Classes
CT	Current Transformer
DA	Data Aggregator
DC	Data Collector
DCC	Data Communications Company
EFR	Error and Failure Resolution
GCF	Group Correction factor
HH	Half Hourly
Kw	Kilo Watt
LC's	Licence Conditions
LLF	Line Loss Factor
MAM	Meter Asset Manager
MDD	Market Domain Data
MOP	Meter Operator
MSID	Metering System Identifier
MwH	Megawatt Hour
NHH	Non-Half Hourly
PA	Pool Allocation (<i>Panel Committee</i>)
PAB	Performance Assurance Board (<i>Panel Committee</i>)
PARMS	Performance Assurance Reporting and Monitoring System (<i>BSC System</i>)
R1	First Reconciliation Volume Allocation Run
RF	Reconciliation Final
SMETS	Smart Metering Equipment Technical Specifications
SMETS1	Smart Metering Equipment Technical Specifications version 1
SMETS2	Smart Metering Equipment Technical Specifications version 2
SMSO's	Smart Metering System Operator
SVAA	Supplier Volume Allocation Agent (<i>BSC System</i>)

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
D40	Aggregated Half Hour Data File

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
4	Link to Ofgem open letter on Elective Half Hourly Settlement	https://www.ofgem.gov.uk/sites/default/files/docs/final_open_letter_on_hhs.pdf
4	Link to Ofgem conclusions paper on Elective Half Hourly Settlement	https://www.ofgem.gov.uk/system/files/docs/2016/05/elective_hhs_conclusions_paper.pdf
3,4	Link to Modification P300 webpage	https://www.elexon.co.uk/mod-proposal/p300/
3,4	Link to Modification P272 webpage	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
4	Link to Modification P338 webpage	https://www.elexon.co.uk/mod-proposal/p338/
12	Link to Modification P339 webpage	https://www.elexon.co.uk/mod-proposal/p339/