



Stage 04: Draft Modification Report

P280 'Introduction of new Measurement Classes'

P280 seeks to introduce new Measurement Classes for Half Hourly-settled customers in the Domestic, Small Medium Enterprise and the Industrial & Commercial markets, and a requirement for the Supplier Volume Allocation Agent to provide Distributors with aggregated Half Hourly consumption data for Metering Systems registered to these new Measurement Classes.

P280 would enable Distributors to charge Suppliers on an aggregated basis as well as on a site-specific basis.

This Report Phase Consultation for P280 closes:

5pm on Friday 6 July 2012

The Panel may not be able to consider late responses.



The BSC Panel:

- Initially recommends **approval** of P280



High Impact:

- SVAA



Medium Impact:

- Suppliers
- Distributors
- HH Agents
- HH Data Collectors



Low Impact:

- ELEXON

What stage is this document in the process?

01

Initial Written Assessment

02

Definition Procedure

03

Assessment Procedure

04

Report Phase

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About this Document

This is the P280 Draft Modification Report, which ELEXON is issuing for industry consultation on the BSC Panel's behalf. It contains the Panel's provisional recommendations on P280. The Panel will consider all consultation responses at its meeting on 09 August 2012, when it will agree a final recommendation to Ofgem on whether or not the change should be made.

There are 5 parts to this document:

- This is the main document. The majority of the document is identical to the Workgroup's Assessment Report and provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. However, it also includes the initial recommendations which the Panel has made after considering the Assessment Report.
- Attachment A contains more information on the Workgroup's analysis and assessment, and is unchanged from the version attached to the Workgroup's Assessment Report. It also contains details of the Workgroup's membership and full Terms of Reference.
- Attachment B contains the full responses received to the Workgroup's Assessment Procedure Consultation.
- Attachment C contains the draft redlined changes to the BSC for P280.
- Attachment D contains the specific questions on which the Panel seeks your views. Please use this form to provide your responses to these questions, and to record any further views/comments you wish the Panel to consider.



Any questions?

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Why Change?

Distributors calculate their Distribution network charges (also known as DUoS charges) and invoice each Supplier per MPAN on a site specific basis for every Half Hourly settled customer. This has never been a problem due to the relatively small size of the existing HH market. However, with the Secretary of State's mandate that Profile Classes 5-8 must have an 'Advanced' (HH capable) meter by 2014, alongside the government led initiative that Profile Classes 1-4 have 'Smart' meters by 2019; the industry has been examining the possibilities of a significant expansion in the number of HH Settled sites.

If the only option is for Distributors to bill HH customers on a site specific basis then the Proposer believes that the resulting cost to the Distributors (in the event that HH settlement is widely adopted) would be in the tens of millions of pounds.

Industry led work including the Profiling Settlement Review Group (PSRG), DCUSA Change Proposal DCP 103, BSC Modification P272, and the Distribution Charging Methodologies Forum (DCMF) Methodologies Issue Group 22 (MIG 22) have indicated that as a minimum there should be the option of receiving DUoS invoices based on aggregated HH data for HH settled sites below the current threshold for HH metering (100kW).

Solution

P280 proposes to introduce 3 new Measurement Classes and associated Consumption Component Classes so that Suppliers of sub 100kW HH Settled customers may be invoiced for DUoS charges on an aggregated basis.

P280 is effectively a facilitation change. Suppliers, together with their HHDC, are able to utilise the new Measurement Classes as and when the Suppliers choose. However, the SVAA, HHDAs and the Distributors would need to be ready for such use from the implementation date.

Although P280 is optional for Suppliers, if a Supplier that does not use the new Measurement Classes takes on a customer that currently does, then the Supplier would need to manage the transition.

Impacts

As a result of the new Measurement Classes P280 will impact HH Data Collectors, HH Data Aggregators, Distributors, Supplier Volume Allocation Agent (SVAA) and Suppliers.

Implementation

The proposed Implementation Date for P280 is the 1st October 2013 if an Authority decision is reached on or before 1st October 2012.

The Case for Change

The Workgroup's unanimous view is that P280 would better facilitate the Applicable BSC Objectives compared with the existing baseline. The majority of the Group believed that P280 better facilitated both objectives (c) and (d); whilst the minority believed there was benefit under (c) or (d) and not both.

The Group believed that P280 will provide an efficient and cost effective mechanism to deal with a large increase the volume of HH data without flooding Parties with Site Specific data resulting from the expansion of the HH market. They also believed it provides Suppliers with flexibility to move into the HH market in the most efficient way.



What is the issue?

The defect in the BSC arrangements is that they don't provide any mechanism for distinguishing between HH-settled customers whose network charges should be calculated on a site-specific basis, and those whose network charges should be calculated on an aggregated basis.

Background

Distribution Changes

Distribution network charges (also known as DUoS charges) are calculated for each HH settled customer by Distributors on a site specific basis. With the introduction of smart meters into the NHH settled market, more NHH sites will have the ability to be settled on a HH basis. This could significantly increase the number of sites where Distributors will have to calculate site specific DUoS charges. A DCUSA Change Proposal (DCP103) was raised in July last year to help facilitate the move from NHH settled market into the HH settled market by attempting to ensure that DUoS charges would remain the same for NHH customers electing to be settled HH under Measurement Class E. In conducting this work the DCUSA consultation concluded that the industry would be better served invoicing for DUoS in respect of sub 100kW sites using aggregated HH data rather than on a site specific basis, but this was deemed outside of the scope of the DCUSA change proposal.

Currently, the only option available to the Distributors is to invoice each Supplier per MPAN for every HH settled customer on a site specific basis. Should this remain the only option available, based on the analysis conducted under DCP103, the Proposer believes that the resulting cost to the Distributors (in the event that HH settlement is widely adopted for smart metered customers) would be in the tens of millions of pounds. The majority of this cost would likely be recovered from Suppliers and ultimately from customers. Furthermore the Proposer suspects that both Suppliers and HH agents may also have system capacity and/or business process issues should this be the enduring solution post smart metering roll out. To avoid this, there needs to be an alternative that enables Distributors to charge Suppliers on an aggregated (as well as on a site-specific) basis.

Current Process

Currently SVA metering can be either settled HH or NHH depending on the circumstances. If the Metering System is defined as being 100kW or above it must be settled as HH. If it is below 100kW then it is usually settled on a NHH basis, unless the Supplier has elected to settle it on a HH basis.

Those sites that are Settled HH are billed for DUoS by Distributors on a Site Specific Basis. Currently there is no option available for Distributors to receive Aggregated HH data for sub 100kW sites.

Measurement Classes

The Measurement Class of a Metering System reflects how it is Settled i.e. HH, NHH or HH elective.

There are five Measurement Classes A, B, C, D and E:

Measurement Class 'A':

This is selected for all NHH Settled meters. Suppliers have set performance levels they must adhere to within the Settlement process. These performance levels are determined by the proportion of consumption through NHH Metering Systems that should be settled on actual Meter Advances (rather than estimates) at each of the Supplier Volume Allocation runs.



Measurement Class 'A' Performance Levels

Run	Performance Level
SF	N/A
R1	30%
R2	60%
R3	80%
RF	97%

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Measurement Class 'B'

NHH Unmetered supplies are classified as Measurement Class 'B'. These are any electronic equipment that draws a current and is connected to the Distribution Network without a meter recording its energy consumption.

Measurement Class 'C':

100kW or above Metering Systems are classified as Measurement Class 'C' (unless they are "unmetered" in Class D).

Measurement Class C Metering Systems must submit 99% actual Meter reading data by the initial settlement (and all subsequent Reconciliations). Where actual Meter reading is unavailable, Data Collectors must provide estimated data.

Measurement Class 'D':

This is the HH equivalent of Measurement Class 'B'.

Measurement Class 'E':

Measurement Class 'E' is a Measurement Class for Metering Systems that would fall under the 100kW limit, and therefore would be settled NHH under Measurement Class A, but their Supplier elects to be settled HH.

The difference in Settlement terms between Measurement Class 'C' and 'E' is that for those Metering Systems that are HH elective in Measurement Class 'E' the Supplier need only get 99% actual data by RF.

What's the issue?

The BSC and the current defect

The BSC contains a number of provisions for providing Distributors with the metered data they need for charging purposes:

- General provisions in L5.2.4;
- SVAA requirements in S2.7.7; and
- HHDC requirements in Annex S-2, 3.3.2(g).

The defect in these arrangements is that they don't provide any mechanism for distinguishing between HH-settled customers whose network charges should be calculated on a site-specific basis, and those whose network charges should be calculated on an aggregated basis.

Currently, HHDA's for sites in Measurement Classes 'C' and 'E' send the data flow D0040 to the SVAA. The D0040 flow includes Consumption Component Classes (CCC). It is the CCC which details the aggregated data instead of the Site Specific data. However, the Distributors only receive the site specific data via the D0036 and D0275 flows. They receive this information from the HHDC.

As only around 100,000 of the 29million customers within the market are settled HH the fact that there is no mechanism to aggregate billing has not had much of an impact. However, with the roll out of Smart metering, and other industry changes, there is a concern that the percentage of the market settled HH could increase substantially. Without any mechanism for Distributors to utilise and bill Suppliers using Aggregated HH data it will force Distributors to use site-specific billing for all customers under 100kW where it will be disproportionately expensive.



This section explains the P280 Proposed Modification, which is the solution put forward by the Proposer.

Neither the Workgroup nor Assessment Consultation respondents have identified any Alternative Modification within the scope of P280 which would better facilitate the Applicable BSC Objectives than the Proposer's solution.

Summary

P280 proposes that as of 1st October 2013:

- 3 new Measurement Classes will be introduced;
- 10 new Consumption Component Classes will be introduced for each Measurement Class (6 for Import and 4 for Export);
- HHDA's will be mandated to implement the changes and process the proposed amendments to the D0040 and D0298 data flows;
- Distributors will be mandated to specify which Standard Settlement Configuration (SSC) should be used to report aggregated HH data for each relevant Line Loss Factor Class (since the D0030 data flow requires consumption data to be reported against a SSC);
- the SVAA system will be required to process the amended data flows and the mapping information in order to include the relevant data in the D0030 flow that the Distributors use for aggregated DUoS billing;
- HHDCs must not send D0036/D0275s to Distributors for the new Measurement Classes, but will instead be required to send D0010s; and
- There will be no mandate on Suppliers to use the new Measurement Classes. It would be left to individual Suppliers to choose when they wish to use them. Although P280 is optional for Suppliers, if a Supplier that does not support the new Measurement Classes takes on a customer that currently uses them the Supplier would need to manage the transition, but the impact should be minimal (a process to change to a Measurement Class supported by the Supplier and accepting MDD updates¹).

Detailed Requirements

Requirement 1 – Introduction of New Measurement Classes

3 new Measurement Classes would be introduced in the BSC for Domestic, Small and Medium Enterprises (SME) and Industrial and Commercial (I&C) customers to distinguish HH settled customers whose network charges would be calculated on an aggregated basis.

New Measurement Classes:

- F Half Hourly aggregated metered (**Domestic**)
- G Half Hourly aggregated metered (**Non domestic whole current**)
- H Half Hourly aggregated metered (**Non domestic CT metered**)²

¹ Changes to Market Domain Data (MDD) are undertaken on a circa 6 weekly cycle, resulting in accepted changes being sent to each company on the D0269/D0270 data flows. The new Measurement Classes (Measurement Class Id and Measurement Class Description and the effective from and to dates) will be contained within such flows and the Supplier will have to process the flows so that, subject to their system validation processes, they can handle any data associated with MDD.

² The group agreed that one of the key issues for consultation was the criteria for separating Measurement Classes G and H. Please see Attachment A for group discussions on this.

This will result in the need for each new Measurement Class and their associated Consumption Component Classes being updated in the Market Domain Data.

The Supplier Metering Registration Service (SMRS) systems will need to be capable of accepting the new Measurement Classes.

Suppliers will have the option of utilising the new Measurement Classes. Supplier Agents will need to be able to process the new Measurement Classes for any Suppliers who choose to use them.

Should any site utilising the new Measurement Classes wish to revert to NHH or Site Specific data they will need to revert to one of the pre-existing Measurement Classes.

Import and Export

Each new Measurement Class will have six new Import and four new Export CCCs (for use in reporting actual and estimated consumption and losses).

Import Consumption Component Classes

The current set up is that there a range of CCCs, many of them are linked to the CCIs. The new MCs will each be associated with six Consumption Component Classes for Import as follows:

Consumption Component Class Id	Measurement Quantity Id	Data Aggregation Type	Metered/ Unmetered Indicator	Consumption Component Indicator	Actual/ Estimated Indicator	AA/EAC Indicator	Consumption Level Indicator
36	AI	H	M	C	A		F
37	AI	H	M	M	A		F
38	AI	H	M	L	A		F
39	AI	H	M	C	E		F
40	AI	H	M	M	E		F
41	AI	H	M	L	E		F
42	AI	H	M	C	A		G
43	AI	H	M	M	A		G
44	AI	H	M	L	A		G
45	AI	H	M	C	E		G
46	AI	H	M	M	E		G
47	AI	H	M	L	E		G
48	AI	H	M	C	A		H
49	AI	H	M	M	A		H
50	AI	H	M	L	A		H
51	AI	H	M	C	E		H
52	AI	H	M	M	E		H
53	AI	H	M	L	E		H

Where the data is defined as being based on actual or estimated data for each Consumption Component Class Indicator. The group decided that for import we would keep the CCCs the same as they currently are. The Group acknowledged that in the future the CCCs as a whole will need reviewing, but this was out of scope of P280.

Export Consumption Component Classes

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In the current HH settled market, all Export is reported on the same six CCCs (i.e. CCC Id 6-8 for actual data and CCC Id 14-16 for estimated data), irrespective of whether the Export Metering System is registered to Measurement Class C or E.

The Modification Group proposes that additional Export CCCs be introduced for the new Measurement Classes. Any Export from Metering Systems registered to the new Measurement Classes would be allocated to the new CCCs by the HHDA, and reported to Distributors in the D0030 data flow by SVAA.

As noted above, Measurement Classes C and E currently share a single set of six Export Consumption Component Classes (6-8 and 14-16).

However, the new Measurement Classes F, G and H will only have four CCCs each. At present there are three Consumption Component Indicators (CCI) namely C M and L, which have either Actual (A) or Estimate (E) allocated to each class which gives a total of six combinations in all. CCI M only applies to large scale site specific sites that have site specific LLFCs and under the proposals outlined in P280 it is unlikely that it will be utilised, therefore it would seem prudent not to include it as part of the P280 solution and use only C and L which combined with the Actual and Estimate fields give four CCCs.

The use of only 4 CCCs would then result in 12 new combinations covering all three new measurement classes. (see table below)

Consumption Component Class Id	Measurement Quantity Id	Data Aggregation Type	Metered/ Unmetered Indicator	Consumption Component Indicator	Actual/ Estimated Indicator	AA/EAC Indicator	Consumption Level Indicator
54	AE	H	M	C	A		F
55	AE	H	M	L	A		F
56	AE	H	M	C	E		F
57	AE	H	M	L	E		F
58	AE	H	M	C	A		G
59	AE	H	M	L	A		G
60	AE	H	M	C	E		G
61	AE	H	M	L	E		G
62	AE	H	M	C	A		H
63	AE	H	M	L	A		H
64	AE	H	M	C	E		H
65	AE	H	M	L	E		H

Requirement 2 – Amending the D0040 and D0298 data flows

At present HHDA's send aggregated HH data to SVAA. The level of aggregation is Supplier, GSP Group and CCC. In order to support reporting of aggregated data by SVAA for Measurement Classes 'F' to 'H', this data will also need to be broken down by:

- Distributor Id, in order that SVAA can report the data to the correct Distributor; and
- Line Loss Factor Class Id, in order that SVAA can provide separate values of aggregated consumption for different Line Loss Factor Classes. This will support different tariffs for different voltage levels or Measurement Classes (if required by the relevant Charging Methodology).

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The Group proposes, based on significant support from the consultation, that all HHDA's should be required to support the new Measurement Classes (and be able to submit data to SVAA should they appointed to one).

Therefore, to support this requirement, the D0040 and D0298 data flows will be amended to include new record types for the new Measurement Classes. These new record types will be similar to the existing D0040/D0298 data, but the consumption will be broken down by Distributor ID and LLFC ID (in addition to Supplier Id, GSP Group and Consumption Component Class).

Because the new record types introduced into the D0040/D0298 apply only to the new Measurement Classes, a Supplier who is not using them will receive a D0040/D0298 that does not contain any of the new records. This is intended to minimise the impact on Suppliers who are not using the new Measurement Classes (i.e. it is proposed that the additional information included will not be visible on the flows for the older Measurement Classes).

This requirement will be mandatory for Data Aggregators to ensure that all impacted parties receive data for all Metering Systems.

Requirement 3 – Processing the amended D0040/ D0298 data into the existing D0030 and D0314 data flows

The Group agreed that aggregated HH data for the new Measurement Classes should be included in the existing D0030 and D0314 data flows (used to report NHH consumption to Distributors), with no changes made to the structure of the data flows. As these existing data flows require consumption to be reported against a Profile Class and SSC, SVAA will have to associate each item of aggregated HH data with a Profile Class and SSC. Note that this mapping of HH consumption to SSCs is purely for purposes of SVAA reporting (i.e. Metering Systems on the new Measurement Classes will **not** be registered to an SSC in SMRS).

The Group agreed that the new data on the D0030 will be reported against Profile Class zero, rather than a Profile Class specified by the Supplier. This ensures that aggregated HH data (for Measurement Classes 'F' to 'H') can be clearly distinguished from NHH data.

Note that Profile Class zero will not be added to Market Domain Data. This is consistent with existing practice (in which a Profile Class of zero is used on data flows relating to the Half Hourly market, even though this value is not included in the list of valid Profile Classes in MDD).

In order to allow SVAA to report HH data in the existing D0030 format, Distributors will need to inform the SVAA what Standard Settlement Configuration (SSC) to report so that the correct data can be associated with each Line Loss Factor Class (LLFC). It will be mandatory for Distributors to provide this information, as the SSC, TPR and PC are mandatory items in the D0030 data flow. However, Distributors who aren't interested in mapping consumption to Time Pattern Regimes (e.g. because their billing systems do not use the VMR group) can just provide simple default data (e.g. map all LLFCs to the unrestricted SSC 0393).

The SVAA will need to aggregate the data accordingly when they produce the report. Each DNO should provide the SSC for reporting each relevant LLFC. They should also provide a default SSC for reporting of any consumption that comes in on other (unexpected) LLFCs.

For example, suppose that a hypothetical Distributor had established new Line Loss Factor Classes as follows:

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- LLFCs 200 and 400 for Measurement Class 'F' (to be billed on a single-rate tariff);
- LLFC 201 for Measurement Class 'G' (to be billed on a two-rate tariff); and
- LLFC 401 (for Measurement Class 'H' (to be billed on a two-rate tariff).

It could be that the Distributor uses a billing system that assumes no link between tariff and SSC (and bills Suppliers using the profiled Half Hourly data on the SPX record of the D0030 data flow). In this case it would not matter which SSC the consumption was reported against, and the Distributor could submit a single row of standing data instructing SVAA to report all aggregated HH data against a dummy SSC (such as the unrestricted SSC 0393):

Input LLFC		Effective Date	Output SSC
Distributor	LLFC		
XXXX		01-10-2013	0393

Alternatively, the Distributor may use a billing system that assumes a link between the DUoS tariff time bands and the SSC selected by the Supplier (because it bills Suppliers using data aggregated to time band level on the VMR record of the D0030 data flow). In this case the Distributor would need SVAA to aggregate the Half Hourly data for each LLFC into appropriate time bands. The Distributor would enable this by specifying an appropriate SSC for each LLFC in the standing data provided to SVAA:

Input LLFC		Effective Date	Output SSC
Distributor	LLFC		
XXXX	200	01-10-2013	0393
XXXX	201	01-10-2013	0154
XXXX	400	01-10-2013	0393
XXXX	401	01-10-2013	0154
XXXX		01-10-2013	0154

In the above example, the Distributor has specified SSC 0154 for LLFCs 201 and 401 because the Time Pattern Regimes of SSC 0154 (i.e. 23:30 – 06:30 and 06:30-23:30) match his billing requirements. The standing data tells SVAA to produce a D0030 data flow that (for these LLFCs) contains separate VMR records for each TPR:

- VMR records for Time Pattern Regime 00039 will contain the total consumption for time band 23:30 – 06:30; and
- VMR records for Time Pattern Regime 00221 will contain the total consumption for time band 06:30 – 23:30.

LLFCs 200 and 400 are associated with the unrestricted SSC 0393, and so data for these LLFCs will be reported against the single unrestricted Time Pattern Regime 00001. The row with no LLFC specified is a default, and indicates that any consumption on 'unexpected' LLFCs (for Measurement Classes 'F', 'G' or 'H') should also be reported against SSC 0154.

The Distributors would have the option to specify a unique SSC Id to the LLFC Id associated with each of the new Measurement Classes. This would facilitate the SVAA system aggregating the daily HH data into the number of time-periods defined by the SSC.

The Group agreed that the SSC chosen by the DNO for reporting purposes should be a clock time SSC with switching times on half hour boundaries. Note that this restriction

only applies to how the data is aggregated for reporting on the D0030. Suppliers are still free to use SSCs with switching times in GMT or not on half hour boundaries.

The SVAA system will be amended to include a new database table that holds the mapping from LLFC to SSC. This will be populated via manual data entry. BSCP508 will be amended to include a paper form, which Distributors would fax or email to SVAA. SVAA would then type the data into a new data entry screen.

Requirement 4 – Changes to the SVAA system

There are a number of changes that are necessary:

- As explained in requirement 2, data is now received from HHDAs on amended D0040 and D0298 data flows
- As explained in requirement 3, the aggregated HH data on the D0030 is now reported against Profile Class zero.

Changes will be required to the SVAA system on how they produce their reports. They will need to be capable of receiving the lookup table from Requirements 2 & 3.

The SVAA will need to be able to produce the report in the new format. For each combination of Supplier Id, GSP Group and LLFC that has HH data (in the Consumption Component Classes corresponding to the new Measurement Classes), SVAA will need to perform the following processing when producing the D0030:

- Look up the appropriate SSC from the new database table (provided each Distributor has specified a default there will always be one).
- Identify the Time Pattern Regimes associated with the SSC, and the Period Time Pattern States associated with each TPR on that Settlement Day. (Period Time Pattern States are the flags indicating whether the TPR is treated as ON or OFF in each Settlement Period).
- For each TPR, include a VMR record, an SPX record and a TOT record in the output D0030:
 - The VMR record will identify the Distributor Id and LLFC, plus the SSC from the lookup table, and the TPR. The Profile Class will be reported as zero. The EAC/AA data³ and SPM Default EAC MSID Count will be zero. The SPM Total EAC MSID Count and SPM Total AA MSID Count will be populated from the estimated and actual Data Aggregator HH MSID Counts provided by HHDAs on the new data flows (summing across all HHDAs and all relevant non-losses CCCs).
 - The SPX record will report 46/48/50 HH consumption values. For periods where the Time Pattern Regime is ON, this will be the data provided by the HHDAs (summed across all HHDAs and all relevant CCCs). For periods where the Time Pattern Regime is OFF, this will be zero.
 - The TOT record will have the totals of the values on the SPX record.

³ EAC/AA data (i.e. SPM Total All EACs and SPM Total Annualised Advance Report Value fields) could potentially be populated with aggregated HH data (instead of set to zero) but these data items are defined as holding annualised EAC/AA data; putting daily totals into annualised fields would create a risk of misunderstanding and error. In any case the daily totals of aggregated data will be made available on the TOT record (in the Daily Profiled SPM Total EAC and Daily Profiled SPM Total Annualised Advance fields).

Requirement 5 – LDSOs not to issue site-specific invoices for MPANs in the new Measurement Classes

To avoid double charging, there is a need for the DNO not to issue site-specific invoices for MPANs in the new Measurement Classes. The solution is not to send the D0036/D0275 thereby avoiding any duplicated bills. This Requirement is actually delivered by the Requirement 6 solution.

Suppliers would presumably wish to validate that they don't receive site-specific invoices for these MPANs, though this is not a mandatory requirement that would be imposed by implementation of P280.

Requirement 6 – Amending the HHDC-LDSO data flow

To avoid double charging the HHDC-LDSO data flow process would be amended to indicate whether the data relates to the new Measurement Classes (and is therefore outside the scope of site-specific billing).

Where this is the case a HHDC will send a D0010 instead of a D0036/D0275 for the new Measurement Classes. So for Measurement Classes 'C' or 'E' the HHDC sends a D0036/D0275, and for Measurement Classes 'F' to 'H' the HHDC sends a D0010. This eliminates the risk of double charging thereby meeting requirement 5 above (as the LDSO doesn't get a D0036/D0275 for the new Measurement Classes).

The D0010 flow was chosen as this would result in the use of an existing data flow that allows for all parties to receive the data as they do now and there would be no need to create new or amend existing data flows. Additionally, receipt of data could be monthly/quarterly thereby reducing significantly the daily data flow traffic of the alternative data flow options. This will also avoid any data privacy issue of seeing customer HH data.

Possible alternative approach

The group has not developed a P280 Alternative, but did consider a potential alternative approach at the first meeting. A group member suggested an alternative approach with aggregation carried out by Supplier Agents instead of performed centrally, as they felt that this might be lower impact overall. However, the majority of the Group concluded that the solution developed by the Proposer and Workgroup was the most efficient, effective and clear approach, and therefore agreed not to further develop the potential alternative.

A group member did not agree with the majority view, as they felt it was debatable whether the proposed solution (i.e. central aggregation) is the most efficient or appropriate approach, but did acknowledge that the proposed approach requires central system changes rather than numerous impacts on the systems of a number of individual participants. Due to other commitments this group member could no longer take part in the Modification.

Legal text

The proposed redlined changes to the BSC to deliver the P280 solution can be found in Attachment B. The Workgroup agrees that these changes deliver the intent of P280. No Assessment Consultation respondents had any comments on the legal text, which is therefore unchanged from the version provided in the consultation. You can find the full consultation responses and impact assessment responses received, and all other P280 documentation, are available from the [P280](#) page of the ELEXON website.

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4 Impacts and Costs

Estimated central implementation costs

The total central implementation cost for P280 is approximately £115k. This comprises:

- Approximately £110k in SVAA costs; and
- Approximately £14,400 (60 man days) in ELEXON effort.

SVAA:

These are one-off implementation costs, and there would be no additional on-going operational costs.

The SVAA costs include making the relevant changes to the systems.

ELEXON:

The ELEXON costs include managing the implementation project and updating the relevant BSC Sections, Code Subsidiary Documents and other documentation.

Additionally there may need to be work surrounding LLF's and LLF Validation as the timing of the change may mean that all LDSOs make mid-year re-submissions for their LLFs. This would involve extensive work to process and come at a time when the annual submissions start coming in and need to be processed too.

However, ELEXON is keen to note that as a result of this change and further work in this area there could be additional changes at a later date as the PAB and ELEXON may want to consider how under the new arrangements we will monitor performance and mitigate risks. Such work may include:

- Determining whether the current PARMS serials would need an additional level of granularity to separate out the new Measurement Classes.
- Modifying PARMS Serial SP04 (which currently measures NHH sites moving to HH sites).
- Creating a new PARMS serial, and possible associated Supplier Charge, to monitor the % energy for the new Measurement Classes (similar to SP08a/b currently).

Any possible additional costs are not directly linked to P280 and would be covered by the Modifications and CPs raised.

P280 impacts

BSC Parties / Party Agents	
Type of Party / Party Agent	impact
Supplier Volume Allocation Agent (SVAA)	Will need to introduce system changes to aggregate data
Suppliers	Will now have the option of receiving billing based upon aggregated and site specific data
Distributors	Will need to change the way they operate and may need to amend billing systems
HH Data Aggregators & HH Data Collectors	Will need to change the way they generate aggregated data for submission to the SVAA and what HHDCs send to Distributors

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Impact on ELEXON
Raise MDD Change Requests to enter the new Measurement Classes into MDD
Implement BSC changes as set out in the attached legal text and develop and implement any associated impacts on Code Subsidiary Documents
Manage implementation of P280 system changes

Impact on Code	
Code Section	Potential impact
Section ANNEX S-2:	Changes will be required to implement the solution. See draft legal text in Attachment B.

Indicative Industry costs of P280

A key point of P280 is that use of the additional measurement classes is voluntary and therefore suppliers can mitigate the potential costs if they decide not to use the new MCs⁴.

A number of Suppliers stated that at the time of the assessment they were unable to provide costs. However, they were still in favour of the Modification.

Two Suppliers did provide costs ranging between £70k – and £450k. These costs stem from system changes.

A number of Distributors provide costs ranging from £15k - £100k. These costs are related to updating the billing system to process the modified flows.

HHDCs and HHDAAs were unable to quantify the costs but one respondent noted that any costs would be substantially less than Distributors. Again responses were in favour of implementing the P280.

The majority of responses agreed with the Proposers view that should the current option remain where Distributors have to invoice each Supplier per MPAN for every HH settled customer on a site specific basis then the resulting cost to the Distributors (in the event that HH settlement is widely adopted for smart metered customers) would be in the tens of millions of pounds.

⁴ For Suppliers who opt out but wish to take on a customer who is on a new MC there is already a process in place.

Recommended Implementation Dates

The Workgroup's recommended Implementation Date for P280 is:

- 01 October 2013 if an Authority decision is received on or before 01 October 2012.

The group considered three implementation dates whilst conducting the assessment of P280. The aim of this approach was to determine what if any impacts there may be upon industry participants.

Dates considered:

- April 2013, initial Proposer date, twelve months prior to the proposed Implementation Date of P272 and as the group deemed this a facilitation Modification this would ensure that industry had in place the necessary processes. At the time of the decision the date coincides with MIG22, if MIG22 necessitates certain tariffs, be they aggregated or otherwise, it was thought that it would be beneficial for P280 to be in place to accommodate them.
- October 2013 as this allows for twelve months from approval (should this be granted) to undertake any changes to systems, processes and progress any consequential code changes (e.g. DTC flow changes). Also the industry is ready for any changes associated with P272.
- April 2014 as this ties in with one of the P272 proposed implementation date.

Overall the group recommends that the Implementation Date of P280 should be 01 October 2013 as there was some concern with Parties being ready for April 2013.



What are the Workgroup's views against the Applicable BSC Objectives?

The final **unanimous** view of the group was that overall P280 Proposed **would** better facilitate the Applicable BSC Objectives compared with the existing Code baseline.

All group members identified benefits against either Objective (c) or Objective (d) and unanimously agreed that P280 has no impact on Objectives (a), (b) and (e).

The Group members who believe P280 will better facilitate Objective (c) do so because it will:

- Facilitate more effective management of increased volumes of HH data.
- Ensure systems and processes are in place to enable Suppliers to move into the new HH market when they wish to do so without constraint.
- Allow flexibility to suppliers to receive aggregated or site specific bills.

Some group members also noted that the P280 solution utilises existing processes which minimises impacts and costs.

The Group members who believe P280 will better facilitate Objective (d) do so because it will:

- Provide an efficient and cost effective mechanism to deal with a large increase the volume of HH data without flooding Parties with Site Specific data resulting from the expansion of the HH market.
- Increase accuracy in the arrangements (in the context of an expanded HH market).

Consultation respondents' views on the Applicable BSC Objectives

The majority of Assessment Consultation respondents agree with the Workgroup's view that P280 better facilitates the Applicable BSC Objectives. The reasons and Objectives cited by these respondents are broadly in line with those expressed by members of the Workgroup.

Three respondents disagreed with the Workgroup's views. They considered that the proposed change is not efficient in terms of managing HH data, as it introduces three new unnecessary measurement classes that HH settlement needs to accommodate. That P280 is overly complicated, implicating all parts of the Industry from Suppliers to SVAA to try to cater for all possibilities of potential outcomes of future consultations and group decisions without clear benefits for the Applicable BSC Objectives.

Additionally there was the view that there are currently no guarantees that smart metering HH data will be available for use in the domestic market therefore do P280 cannot provide a cost effective solution.

You can find the full Assessment Consultation responses in Attachment B.

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



Assessment Procedure Consultation

The full responses made by Parties to the Assessment Procedure Consultation can be found in Attachment B.

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Recommendation

The Panel unanimously initially recommends that P280 is approved.

Panel's Discussion

A Panel member queried whether there would be any additional costs for a Supplier who opted out of utilising the additional new Measurement Classes and whether or not there was a process in place for a Supplier who has chosen not to use the new Measurement Classes taking on a customer under Measurement Class F, G or H.

The Panel noted that the same existing processes for use in the case that a Supplier takes on a customer for which it has no previous data would also apply where a Supplier takes on a customer under one of the new Measurement Classes. The Panel were therefore satisfied that there would be no additional costs and that there was a process in place.

Panel's views on the Applicable BSC Objectives

The Panel Members unanimously agrees with the Workgroup's unanimous view that P280 better facilitates Applicable BSC Objectives (c) and (d) for the reasons set out in Section 6.

The Panel unanimously believes that P280 does better facilitate the Applicable BSC Objectives, and therefore initially recommends that P280 is approved.

Panel's views on legal text

The Panel unanimously agrees with the Workgroup's view that the proposed changes to the BSC in Attachment C deliver the intention of P280.

Panel's views on Implementation Date

The Panel unanimously agrees with the Implementation Date proposed by the Workgroup, as detailed in Section 5.

8 Recommendations

The Panel provisionally recommends to the Authority:⁵

- That P280 **should** be made;
- A provisional Implementation Date for P280 of:
 - 1 October 2013 if an Authority decision is received on or before 1 October 2012;
- The draft BSC legal text for P280.

Report Phase Consultation Questions

Do you agree with the Panel's initial recommendation that P280 should be approved?

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

Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P280?

The Panel invites you to give your views using the response form in Attachment D

9 Further Information

More information is available in:

Attachment **A**: Detailed Assessment

Attachment **B**: Assessment Consultation Responses

Attachment **C**: Draft Legal Text

Attachment **D**: Report Phase Consultation Questions

Further information on P280, including the full Solution Requirements and the complete version of the impact assessment responses, is available on the [P280](#) page of the ELEXON website.

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⁵ The Authority is the body that governs Ofgem and to whom the Panel makes its recommendations under the BSC.