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| Modification Proposal – BSCP40/03 | MP No: P280 |
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| Title of Modification Proposal: Introduction of new Measurement Classes | |
| Submission Date: 25 November 2011 | |
| Description of Proposed Modification: <p>This Modification wishes to introduce new Measurement Classes for Half Hourly-settled customers in the Domestic and SME markets, and to require the Supplier Volume Allocation Agent (SVAA) to provide Distributors with aggregated Half Hourly consumption data for Metering Systems registered to those new Measurement Classes.</p> <p>This Modification stems from ideas previously suggested in the ELEXON Cost Benefit Analysis (CBA) consultation document (distributed earlier this year¹), and from the work of the DCUSA DCP103 Working Group²:</p> <ul style="list-style-type: none"> • The ELEXON CBA proposed new Measurement Classes for Half Hourly-settled Domestic Customers, and for Half Hourly-settled Small and Medium Enterprise (SME) customers. • A number of the industry responses to the DCP103 Request for Information (issued to DCUSA Parties on 16 August 2011) expressed support for the Working Group’s Option 4, which proposed a new Measurement Class for Domestic Customers who are settled Half Hourly. <p>This modification does not intend to make the use of such Measurement Classes mandatory for Suppliers, but distributors and settlement providers (such as SVAA) need to be system and process ready for those Suppliers (and their agents) who wish to take advantage of the new Measurement Classes. This supports the consultation response to the CBA where the Suppliers felt that it was too early to mandate such a requirement.</p> <p>Subject to further discussion at the Workgroup assessing this Modification, we suggest that two new Measurement Classes would be appropriate: one for Domestic Customers and one for Non-Domestic Customers below an agreed size threshold. Non-Domestic Customers above this threshold would fall outside the scope of this Modification, and would continue to be registered to Measurement Classes ‘A’, ‘C’ or ‘E’ as currently. One option (subject to discussion at the Workgroup) would be to use the absence of measurement transformers as the criterion i.e. the new Measurement Classes would be open only to customers with whole current metering. This supports the National Terms of Connection (DCUSA Schedule 2B) where the use of measurement transformers require a different set of terms one of which is the requirement for a maximum capacity. This then links to Profile Class 5-8 where a maximum capacity is also required. This ensures that there is no overlap with the work on P272 (Mandatory Half Hourly Settlement for Profile Classes 5-8).</p> | |

¹ The CBA document was prepared by ELEXON and the Profiling and Settlement Review Group (PSRG), and was issued for consultation on 18 July 2011 (see <http://www.elexon.co.uk/pages/consultations.aspx>).

² DCUSA Change Proposal DCP103 (‘DUoS Charges for sub 100kW HH settled sites’) was raised by British Gas Trading in July 2011 (see <http://www.dcusa.co.uk/public/cp.aspx?id=123>)

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Description of Issue or Defect that Modification Proposal Seeks to Address:

With the introduction of smart meters into the NHH settled market suppliers are starting to consider how best they can gain market intelligence and introduce more time of day tariffs to this segment of the market.

DCP103 was raised within DCUSA to facilitate the move from NHH settled to the HH settled market using Measurement Class E on the same use of system charges. The DCUSA consultation concluded that the industry would be better served settling these customers on an aggregated basis rather than on a site specific basis but this was deemed outside of the intent of the change proposal.

Currently, the only option available to the industry is to settle each and every customer on a site specific basis. Should this remain the only option available, the resulting cost to the industry (in the event that Half Hourly settlement is widely adopted for smart metered customers) would be in the tens of millions of pounds. To avoid this, there needs to be an alternative that enables Distributors to charge Suppliers on an aggregated (rather than site-specific) basis.

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.

This wasn't an issue when HH settlement was restricted to larger customers, but with the rollout of smart metering it will force Suppliers and Distributors to use site-specific billing for domestic and SME customers, where it will be disproportionately expensive.

Impact on Code:

The solution to this defect is to:

- Introduce new Measurement Classes and associated Consumption Component Classes (for domestic and SME customers) to distinguish HH-settled customers whose network charges should be calculated on an aggregated basis; and
- Introduce system and process changes to support aggregated reporting of consumption for these Measurement Classes (although this will primarily affect Configurable Items, as described below, rather than the Code itself).

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Impact on Core Industry Documents or System Operator-Transmission Owner Code:

DCUSA changes will be required to oblige Distributors to calculate and invoice DUoS charges using aggregated data from SVAA (rather than site-specific data from Half Hourly Data Collectors) for Metering Systems registered to the new Measurement Classes. (A change proposal will be raised at the same time as this to cover off proposed changes).

We also envisage a DCUSA change to the Common Distribution Charging Methodology (CDCM) to introduce suitable tariffs for the new Measurement Classes. However, this is a separate issue, which is already being discussed under DCUSA governance³ and dependent upon the outcome may result in further work in this area. This BSC Modification is intended to facilitate these new tariffs, but does not depend upon them.

Changes will be required to the MRA DTC to support reporting of aggregated data for the new Measurement Classes. These will be raised once the changes have been identified, but are likely to include:

- Amend the D0030 flow, BSCP508 and the SVAA software to report consumption for those customers to Distributors on an aggregated basis;
- Amend the D0040/D0298 to recognise LLFCs and Distributor Ids; and
- Amend Measurement Class Id (J1161) to include the new values and ensure that the Measurement Class Description (J0311) matches that of the new Measurement Class Id when selected.

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties:

Changes will be required to the SVAA system and Half Hourly Data Aggregator (HHDA) systems in order to allow SVAA to provide Distributors with aggregated consumption data for the new Measurement Classes. ELEXON and its service providers have already assessed the required SVAA changes (at the request of the DCP103 Working Group), and should be able to provide this information to the Workgroup assessing this Modification. The required changes include:

- Changing the format of the D0040/D0298 interfaces from HHDA to SVAA to include details of Distributor Id and Line Loss Factor Class Id (so that SVAA knows which Distributor to report the consumption to, and the Distributor knows which tariff to apply); and
- Amending SVAA to report aggregated consumption data (for the Consumption Component Classes associated with the new Measurement Classes) to Distributors and Suppliers. Detailed issues that the Workgroup may wish to consider in relation to this include:
 - Whether this new data is best included in the same D0030 flows as the current Non Half Hourly data, or in new flows.

³ Appropriate DUoS changes are already being considered by the DCP103 Working Group and the Methodology Issues Group (MIG).

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| <ul style="list-style-type: none"> ○ Whether distributors require the HH data on a daily basis or whether there is a requirement to create a monthly aggregated consumption file for each. ○ The appropriate format for providing the data (e.g. whether the aggregated Half Hourly data should be reported against an appropriate SSC Id to facilitate use of existing Non Half Hourly billing systems by Distributors) <p>Changes may also be required to Supplier Meter Registration Service (SMRS) and Half Hourly Data Collector (HHDC) systems to support the new Measurement Classes.</p> | |
| <p>Impact on other Configurable Items:</p> <p>In order to support the system changes described above, changes will be required to BSC Configurable Items related to SVAA and HHDA. There will also be a requirement to update MDD with the inclusion of these new Measurement Classes.</p> | |
| <p>Justification for Proposed Modification with Reference to Applicable BSC Objectives:</p> <p>The modification allows for a more cost effective solution for handling smart metering HH data. It ensures that those ready to move into this market have the necessary systems and processes in place.</p> <p>The proposed modification therefore better facilitates Applicable BSC Objective (c) (the promotion of 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).</p> | |
| <p>Is there a likely material environmental impact? No</p> | |
| <p>Urgency Recommended: No</p> <p>There is no urgency but we recognise the need to progress in a timely manner. We therefore suggest an implementation date of April [2013/4] This date is to also cater for other industry change proposals so it is expected that this modification should be completed by the [summer/autumn of 2012] to allow time for DTC changes to be raised, approved and implemented by [April 2013/4].</p> | |
| <p>Justification for Urgency Recommendation :</p> | |
| <p>Self-Governance Recommended: No</p> | |
| <p>Justification for Self-Governance Recommendation: n/a</p> | |
| <p>Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews? <i>(mandatory by originator in order to assist the Panel decide whether a Modification Proposal should undergo a SCR Suitability Assessment)</i> No</p> | |

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Attachments: No