

Options to replace calculated negative EACs.

A number of potential alternatives to replace a calculated negative EAC have been considered. These are:

- to use previous EAC value;
- to use a GSP Group Profile Class Average EAC value, as defined in Market Domain Data;
- to set EAC to zero;
- not to calculate an EAC (i.e. set to null).

These options are described in more detail below.

a) Use previous EAC value

A negative EAC can only arise from a negative AA. A negative AA, in turn, may arise as a result of an erroneously large previous AA value or as a result of failure to detect a meter-rollover. In the case of meter-rollover, there is no reason why previous EAC value should not be used. However, where previous AA was erroneously large, the associated EAC is also likely to be erroneously large as well. As there is no way of distinguishing between these two cases, it is not felt that using previous EAC value would provide a complete solution.

b) Use GSP Group Profile Class Average EAC value

GSP Group Profile Class Average EAC, as defined in Market Domain Data (MDD) represents an equitable substitute for a negative EAC. However, these are not currently stored by the EAC/AA system. The advantage of this option being use of a well understood substituted EAC.

c) Set EAC to zero

This would still result in an under-accounting of energy in settlements, but to a lesser extent than using a negative EACs. It avoids risks of 'reversing the error' that is inherent in option (a) and may be cheaper to implement than option (b). However, PDSOs would not be able to receive payment for network services provided.

d) Calculate an Annualised Advance only

Calculation of a null EAC is already performed by the EAC/AA system in the event of a change of Profile Class during the meter advance period. In the case of a change of Profile Class, a Supplier provides an initial class average EAC for the new Profile Class in lieu of a calculated "forward" EAC. In the case of a negative EAC, a Supplier-provided EAC would be inappropriate. This would effectively mean that previous EAC would continue to be used in settlement, as per option (a) above.