

Responses from P81 Definition Consultation

Consultation issued 12 June 2002

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	Electricity Direct (UK) Ltd	P81_DEF_001	1
2.	Professor Marmont, West Beacon Farm	P81_DEF_002	1
3.	SEEBOARD Power Networks	P81_DEF_003	1
4.	British Photovoltaic Association	P81_DEF_004	45
5.	Intersolar Group	P81_DEF_005	2
6.	IMServ	P81_DEF_006	1
7.	Energy Saving Trust	P81_DEF_007	1
8.	SEEBOARD Energy	P81_DEF_008	1
9.	NEDL/YEDL	P81_DEF_009	1
10.	Aquila Networks	P81_DEF_010	1
11.	TXU	P81_DEF_011	21
12.	Scottish Power	P81_DEF_012	6
13.	British Gas Trading	P81_DEF_013	1
14.	London Electricity	P81_DEF_014	8
15.	Innogy	P81_DEF_015	9
16.	Western Power Distribution	P81_DEF_016	1
17.	MicroGen (late response)	P81_DEF_017	1

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Gareth Swales
Responding on Behalf of	Electricity Direct (UK) Limited
Role of Respondent	Supplier

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
Rationale:		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes
Rationale:		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Rationale:		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes

Rationale:		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes
Rationale: The take up of such devices is unknown and could potentially only develop into a niche market. The short term and long term solutions do not necessarily have to be worlds apart and could potentially be a phased implementation after certain criteria was met.		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option C
Rationale: C, but please note my comments in 'further comments'		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes

I am in agreement with the idea that HH metering should not be required, but believe initially that there would not be substantial volume hitting the system for either Profiling Option B or C to be considered.

Before considering profiling options there are several more important issues that must be investigated such as the take up, reliability, maintenance etc of the devices. Assessing against this criteria would give a more accurate prediction of what profiling was needed. These devices have to be proven to both the customers and installers alike. There is no economic sense in setting up a costly solution if the take up is limited or restricted to a niche market. The value of the export to each domestic premise will be very minimal, that is to say if there was export occurring, and so the need for allowing exports, in the first instance, is not required.

It seems to me that we are trying to build a basket without knowing what is going to fill it and what size it should be.

If/When the take up of devices increases and the exports had the potential to become significant enough to meter then the profiling options should be considered.

(My response is mainly aimed at the heat led devices (micro CHP) and not PV, as I believe most discussions are.)

P81_DEF_002 – Professor Marmont, West Beacon Farm.

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Professor Tony Marmont
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant).
Role of Respondent	(Generator/Supplier/Distribution Business/Other) ¹ Generator – West Beacon Farm

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes

¹ Delete as appropriate

Rationale:		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes
Rationale: If the UK is to achieve its CO ₂ targets (not possible as now) we need to encourage (not discourage) renewable energy generating. The allowing of net metering would be the single most encouraging step (without imposing a tax burden).		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
Rationale:		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes
Rationale:		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long-term solution to this issue? If so what do you believe are the triggers for a change to a longer-term solution?	No ¹
Rationale: I think net metering <u>HAS</u> to come and it is a long-term solution as well as short term.		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option A
Rationale: Cheap and simple – worry about any inaccuracies in the future.		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	No ¹

Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	No ¹
Please state your comments		

P81_DEF_003 – SEEBOARD Power Networks

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	SEEBOARD Power Networks plc
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). Party: SBPN
Role of Respondent	(Generator/Supplier/Distribution Business/Other) ²

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes/ No
Rationale:		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes/ No
Rationale: The modification proposes to amend Section L of the Code but not Section K. This is correct, there is no justification for changing the current obligation to separately meter and settle Imports and Exports of electricity at a boundary point		

² Delete as appropriate

Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes /No ¹
<p>Rationale:</p> <p>The proposed modification reflects the best solution to this issue. The two alternative modifications mentioned in section 5 have a number of flaws. Allowing a meter to run backwards risks opening a door to larger amounts of meter fraud (currently a backwards running meter is a reliable indicator of theft) the second proposal for gross metering seem unnecessarily complex.</p>		
Q4	<p>Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence?</p> <p>If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?</p>	Yes/ No [#]
<p>Rationale:</p> <p>A simple definition easily understandable by all would appear to be the most appropriate.</p>		
Q5	<p>Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue?</p> <p>If so what do you believe are the triggers for a change to a longer term solution?</p>	Yes/No ¹
<p>Rationale:</p> <p>Consideration of long terms/short terms solutions is inappropriate at this point in the Modification process. The Modification process should result in proposing the correct/best solution for all parties. Only if the implementation time for this solution is then considered excessive should a short term interim solution should be considered</p>		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option A / Option B / Option C ¹
<p>Rationale:</p> <p>Settlement should be on the basis of Import/Export metering at the boundary point. Import could settle either on the existing Profile Classes, possibly with new SSCs or on new Profile Classes developed to reflect the Import profiles of micro-generation customers. Export should be settled on new Profile Classes developed to reflect the Export profiles of micro-generation customers.</p>		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes /No ¹
<p>Please state your views:</p>		

Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes/ No ⁴
<p>Please state your comments</p> <p>Net metering is inconsistent with the requirements of Distribution Businesses under the current price control methodology.</p>		

P81_DEF_004 – British Photovoltaic Association

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Rodney Hacker
Responding on Behalf of	The British Photovoltaic Association (PV-UK) National Energy Centre, Davy Avenue, Knowlhill, Milton Keynes, MK5 8
Role of Respondent	(Generator/Supplier/Distribution Business/Other) ³ Trade Association representing 45 companies ranging from major multi-nationals to one man PV installer businesses

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
<p>Rationale: Photovoltaic systems generate power in daylight and not necessarily in time and in balance with domestic demand. The export of surplus power for reward can significantly enhance the value of a PV system to the householder. The present requirement for half hourly metering on small generators is one of the major barriers to arranging such paid-for export. The cost of half hourly outweighs the value of the modest quantities of power available for export. This therefore contributes to depressing the market for PV, and restricts the equality of opportunity for the technology to contribute to reducing CO₂ emissions and improve diversity of supply.</p>		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate	Yes

³ Delete as appropriate

	interpretation?	
<p>Rationale: Within the definition of the modification as being related to Domestic Premises the interpretation is considered reasonable, however, see comments below in relation to detail and alternatives.</p> <p>The Association supports the intent not to change the requirement for metering of export and import, at least in the short term. This will provide maximum flexibility to adopt possible future schemes for export tariffs or net metering and also schemes to enable ROCs to be gained for small PV generators.</p> <p>The use of profiling is seen as a rational way to deal with valuing small amounts of power from the PV systems, avoiding complex and expensive administration.</p>		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
<p>Rationale: The definition of Domestic Premises is convenient but not definitive as regards plant size. Broadly, domestic PV systems will usually be less than 10 kW peak output. This size category also embraces many other buildings and sites which could benefit from a PV system, for example schools, clinics, community buildings. Generators on these sites suffer the same disbenefit from the half hourly metering requirement as domestic premises. Therefore PV-UK believes that the modification should embrace all small PV systems up to say 10kW peak output regardless of the location. Above this size the cost of metering and administration should clearly be less than the value of the export.</p> <p>The PV-UK view is supported by the suggestion from the Distribution Code Review Panel in their consultations that all micro-generation up to a size limit be permitted within a category exempt from half hourly metering.</p>		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	
<p>Rationale: The short consultation period has not allowed this association time to research and consider the importance of Condition 22.</p>		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes

Rationale: See answer to Q2. The Association believes that the widespread introduction of micro-generation will force change upon the present regulatory structure under which DNOs and supply companies deal with micro-generators, beyond tweaking the present rules. New paradigms will emerge for the investment framework and tariff structures and we may also see solutions to the ROCs issue for micro-generation. Therefore flexibility is required to address new opportunities as they arise. The Association would not wish to close off prematurely avenues for exploitation of the technology.

Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option A / Option C ¹
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Rationale: Option A is seen as a simple, short term solution which would introduce insignificant error in the cost structures while penetration into the network remains minute.

Option C would be better long term solution. The association takes the view that a separate generation profile could be easily developed from existing stochastic solar data and scaled to system size. This would not result in high central development costs. In any case, one of the impacts of micro-generation and policies to improve energy efficiency will be to bring change to domestic demand patterns which will require continued updating of the demand profiles. Therefore the claimed high cost of option C should be carefully examined.

Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	No
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Please state your views: Non identified in the time available.

Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	No
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Please state your comments

P81_DEF_005 –

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views

are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Intersolar Group Plc</i>
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). <i>Subsidiary companies including Solapak Limited</i>
Role of Respondent	(Generator/Supplier/Distribution Business /Other) ⁴ <i>Photovoltaic manufacturer</i>

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes/ No ¹
Rationale: <i>Will improve the efficient operation of the market in the longer term by enabling value to be recognised appropriately without incurring undue excessive cost. Longer term will increase the competition in generation. The requirement was not set in contemplation of micro generation as export.</i>		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes /No ¹
Rationale: <i>The term domestic is being used as a de-minimis level for HH metering on generation. It may be more appropriate to define the level absolutely as a maximum kW value.</i>		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes/ No ¹
Rationale: <i>The requirement for domestic as the criterion should be replaced with a kW capacity value regardless of premises</i>		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence?	Yes /No ¹

⁴ Delete as appropriate

	If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	
Rationale: <i>The 'domestic' aspect of the definition is not that important so the extended definition in Condition 22 should not apply, but the volume assessment work of the DCRP should apply; see Q2 and Q3.</i>		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes/ No ¹
Rationale: <i>Profiling is an economic alternative to period metering. The costs of maintaining profiles will be identified during the modification assessment process. These should be recorded for comparison with metering costs such that the threshold is known for determining the trigger.</i>		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option A / Option B / Option C
Rationale: <i>Option B serves both settlement and non-settlement purposes as a reasonable interim arrangement until low cost HH metering technology is brought to market.</i>		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes/No ¹
Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes/ No ¹
Please state your comments: <i>Those most affected by this modification are not parties to the BSC.</i>		

P81_DEF_006 – IMServ

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Damian Bannister
Responding on Behalf of	IMServ
Role of Respondent	HHDC, NHHDC, HHMO and NHHMO

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	N/A
Rationale:		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	N/A
Rationale:		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	N/A
Rationale:		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	N/A
Rationale:		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	N/A
Rationale:		

Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	N/A
Rationale:		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	N/A
Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes
Please state your comments There are no foreseen effects or changes required on IMServ systems although we would need to be kept aware of the proposal, as there may be some changes to operational procedures.		

P81_DEF_007 – Energy Saving Trust

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Energy Saving Trust
Responding on Behalf of	Energy Saving Trust
Role of Respondent	Other

Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes
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We have undertaken research about the potential cost of half-hourly metering for domestic and other small-scale generation (Solar PV, micro-CHP). As a result of this, it has become clear to us that the cost of 1/2 –hourly metering is prohibitive in the domestic setting. Compared to the potential income generated from the sale of electricity generated at a domestic installation, the cost of ½-hourly metering will far exceed this, and therefore make the sale of the electricity uneconomic. We also have doubts about the need to ½-hourly meter the very small amounts of electricity generated from domestic and other small-scale generators.

While the current solution of spilling the electricity onto the grid without reward would avoid the cost of metering, it also removes the potential to trade the electricity, and structure a joint supply/leasing contract around the generation equipment. This will reduce the financial appeal of purchasing/leasing such equipment, and will consequently reduce the potential market for it. A smaller potential market for these technologies will have negative environmental consequences, since electricity generated from domestic and other small-scale generation technologies is either renewable, or generated at far higher efficiency than electricity imported from the grid (provided the micro-CHP operates in heat-led mode or uses a thermal store). Spilled electricity from these sources is equally valuable in environmental terms.

In order to support the market development for these technologies, we would ask the panel to consider agreeing to the modification proposal.

P81_DEF_008 – SEEBOARD Energy

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Dave Morton
Responding on Behalf of	SEEBOARD Energy Limited
Role of Respondent	Supplier

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
Rationale: Removal will assist in the promotion of generation and competition		
Q2	Do you believe that the Modification as defined by the Modification	Yes

	Group in Section 4 of this report is the most appropriate interpretation?	
Rationale:		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Rationale:		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes No
Rationale:		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	No
Rationale:		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option B
Rationale: High cost of Option C could not be justified for a potentially small improvement in accuracy compared with Option B		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes

Please state your comments

Modification proposal only refers to Domestic premises. Similar small generators maybe installed in Business premises and the approach for these needs to be considered.

P81_DEF_009 - NEDL/YEDL

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Sue Calvert
Responding on Behalf of	NEDL/YEDL
Role of Respondent	Distribution Business

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
Rationale:		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes
Rationale:		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Rationale:		

Q4	<p>Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence?</p> <p>If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?</p>	Yes
<p>Rationale:</p> <p>All the additional terms within Condition 22 will fall away over time. Therefore given that EM Gen is going to ramp up the need to reflect these in the mod would seem unnecessary.</p>		
Q5	<p>Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue?</p> <p>If so what do you believe are the triggers for a change to a longer term solution?</p>	No
<p>Rationale:</p> <p>The solution being developed should be acceptable as a long term one as well as short</p>		
Q6	<p>Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?</p>	Option B
<p>Rationale:</p> <p>The least cost and fair reflection of reality</p>		
Q7	<p>Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?</p>	No
<p>Please state your views:</p>		
Q8	<p>Do you have any further comments on Modification Proposal P81 that you wish to make?</p>	No
<p>Please state your comments</p>		

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Richard Smith, System Commercial Manager
Responding on Behalf of	Aquila Networks plc (a subsidiary of Midlands Electricity plc)
Role of Respondent	Distribution Business

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes /No
Rationale: As the BSC requires accurate measurement of energy within half hourly settlement periods, any move away from half hourly metering to non half hourly metering, which is inherently less accurate, cannot better facilitate some objectives of the BSC. We note that some other consultations have been rejected on these grounds, but we do recognize the importance of this issue and its role in developing competition in the generation and supply of electricity. The modification therefore receives our support in principle.		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes/ No
Rationale: Given the objectives of the review, we feel that the modification group have put together an appropriate interpretation of the actions required.		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes /No
Rationale:		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence?	Yes/ No

	If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	
Rationale: Any definitions should be aligned with those already existing within the industry where possible, to avoid confusion with differences in the future. We suggest that the extra conditions under Condition 22 would help provide clarity over the exact meaning of 'domestic customer', and therefore should be adopted from the outset.		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes/No
Rationale: We believe that profiling of consumption will be subject to errors until significant load research is carried out to establish profiles for small generation such as Photo-Voltaic and Micro CHP. However load research will take time and the reality is that there are already customers who wish to connect and use this equipment. Whilst numbers remain small the potential for errors is low, however as numbers increase, we believe that suitable profiles should be introduced as a longer term solution. The trigger should be the point assessed as that when the number of customers connected are likely to lead to significant errors in profiled consumption. Load research should be complete by that time.		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option A Option B Option C
Rationale: Option C is the only option that provides fully for separate import and export registers and accurate profiles. We note that the other options confuse the issues of measurement and settlement of energy. We are opposed in principle to net metering and would not support any option which permitted this. However, from a pragmatic perspective we are not against the use of profiles developed for import registers (whether chunked or not) being applied to export registers in the short term until appropriate export profiles have been developed. As a matter of principle import and export energy must be recorded separately.		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes/No
Please state your views:		

Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes/No
<p>Please state your comments</p> <p>This proposal is one of a growing number that on a strict interpretation of BSC objectives should not be considered. Its consideration is achieved because it is perceived to fulfil the more generic objective of facilitating competition and as such we support it. However, we are of the view that as more change proposals are based on this generic objective, there needs to be clarification within the BSC to ensure consistent application.</p>		

P81_DEF_011 – TXU

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Phillip Russell
Responding on Behalf of	21 TXU BSC Parties
Role of Respondent	Generator & Supplier

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
<p>Rationale: The requirement to install HH Metering on the Export results in the requirement for HH data to be collected and submitted to Settlement. The combined cost of these requirements is considered to be a barrier to the development of embedded micro-generation, photo-voltatics and related technology. Consequently the removal of this barrier would promote competition in the generation and supply of electricity.</p>		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	No

<p>Rationale: We would propose that the Modification be amended to relate to all Profile Classes 01-04 import MPANs supplied at single phase or 3 phase rather than restricted to Domestic Premises. This allows the development of similar technologies for small non domestic premises to be settled along similar lines.</p>		
Q3	<p>Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?</p>	Yes
<p>Rationale: We would add that all meter registers must be read by the appointed NHHDC and submitted to settlements.</p>		
Q4	<p>Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence?</p> <p>If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?</p>	See response to Q2
<p>Rationale: Use of Profile Class definitions fits comfortably within existing definitions and is clear and easy to implement.</p>		
Q5	<p>Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue?</p> <p>If so what do you believe are the triggers for a change to a longer term solution?</p>	Yes
<p>Rationale: The preferred solution is partially related to the numbers of sites applicable. Option C represents the optimal position if the numbers of installations reach a critical number. We would suggest that the Panel reviews the numbers annually, and assesses the relative costs of Option C in relation to the numbers of sites. Whilst detailed impact assessments need to be made on central and party systems, as well as profile development/maintenance costs when reviewing this, we anticipate that installed numbers would have to reach at least 50,000. We note that should there be such a modification in future, it would necessitate changes to the treatment of sites that were developed using P81.</p>		
Q6	<p>Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?</p>	Option B
<p>Rationale: It strikes an appropriate balance between accuracy, practicality and overall development cost unless and until the numbers of installations involved reaches a critical number.</p>		
Q7	<p>Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?</p>	Yes

Please state your views: Although the issues of DUoS are not pertinent to the relevant objectives there are associated practical issues about the creation and use of Meter Timeswitch Codes and Line Loss Factor Classes that do need to be considered and could usefully be debated as part of the Assessment Procedure. We would prefer Meter Timeswitch Codes to be common across all DNOs.

Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes
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Please state your comments. If Option B is to be adopted as part of the Modification the approach and timescale and methodology for defining the TPRs should be addressed as part of the implementation approach. We also note that if the import and export is recorded on 1 physical multi-rate meter that it will not be possible for the export and import to be traded by separate Suppliers. Requiring physically separate meters (as opposed to registers) would get round this “problem” but would inevitably cost more in the provision and installation of the Metering Equipment.

P81_DEF_012 – Scottish Power

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Man Kwong Liu
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). <i>Scottish Power UK Plc.; SP Manweb Plc; Scottish Power Energy Trading Ltd.; Scottish Power Generation Ltd.; Scottish Power Energy Retail Ltd.; SP Transmission Ltd.</i>
Role of Respondent	(Generator/Supplier/Distribution Business/Other) ⁵ Generator/Supplier/Distribution Business/Agents

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
Rationale: It will enable the development of micro-generation technologies, providing customers with alternative means of obtaining electricity and giving suppliers opportunities to market new supply products to such customers and, potentially, obtain renewable benefits in return.		

⁵ Delete as appropriate

Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes
Rationale: See Q4 below.		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
Rationale: See Q4 below.		
Q4	Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	No
Rationale: It would be more appropriate to include small commercial premises in the modification also. Small commercial customers are more likely to invest in micro-generation installations, at least in the early days of the technology. The “banding” that is the subject of current Distribution Code consultation seems appropriate, i.e. up to 16 amps per phase.		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes
Rationale: It seems unwise to spend money on an expensive, highly accurate solution until we see just how big the take-up of micro-generation is going to be. However, there are pilot schemes taking place right now. A short term solution is therefore needed while we see how the market develops. We don't need a longer term solution until the numbers are in the tens of thousands nationally.		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option B
Rationale: Option B seems reasonably low cost but does provide some mitigation of the profiling error. Option C has some potential to be a longer term solution but we don't yet know if the numbers will justify it or, indeed, enough installations to form a realistic sample.		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the	No

	Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	
Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	No
Please state your comments		

P81_DEF_013 – British Gas Trading

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Rob Cullender
Responding on Behalf of	British Gas Trading
Role of Respondent	Supplier

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes/ No
Rationale: <p>The introduction of new technology will inevitably increase competition in that the number of products that suppliers will be able to provide will increase. Domestic generation is just one of these new technologies. The current requirement to install half hourly metering would mean that many such technologies would not be economically viable and therefore the removal of this requirement is desirable.</p>		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate	Yes/ No

	interpretation?	
Rationale: Section 4.1 adequately sets out the interpretation as discussed in the Modification Group.		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes/ Ne
Rationale:		
Q4	Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes/ Ne
Rationale: For the sake of clarity, Condition 22 should apply. This will reduce confusion as to the type of premise that is exempt from HH metering. The clearer the definition the better. In this way, there is no inconsistency in approach.		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes/ Ne
Rationale: At present HH metering is relatively expensive, but it may well become much more affordable in future with new technology. Depending upon the financial incentives upon customers and suppliers, HH metering may become the preferred method of metering. If this were the case, then no longer-term solution would be required. Therefore it is prudent to opt for a short-term solution commensurate, not only with the potential economics of the HH option, but also with the level of uptake of domestic generation. As to the triggers for a longer-term solution, these must be based upon any inaccuracies being introduced into settlements as a result of the short-term solution. How these inaccuracies would be assessed (or indeed the level of inaccuracy) is open to question and further consultation, but the key point is that if there is no significant impact, then the option should be for the status quo.		
Q6	Which of the three profiling options do you believe better facilitates	Option A /

	the applicable BSC objectives and should be used in progressing this Modification?	Option B / Option C
<p>Rationale:</p> <p>Option A as described does not produce a profile that is particularly satisfactory. Its merit is that in theory, no change of meter is required, but in practise, most meters would need to be changed.</p> <p>Option C will be expensive to implement and could only be considered as a longer-term solution. In addition, whilst it would address micro-CHP and PV technologies, it would not address wind generation.</p> <p>Option B is preferred as it is a relatively low cost solution and presents the least profiling error.</p>		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes/No
Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes/No
Please state your comments		

P81_DEF_014 – London Electricity

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Liz Anderson (LE Group)
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). London Electricity Group Plc, London Electricity Plc, SWEB Ltd, Jade Power Generation Ltd, Sutton Bridge Power Ltd, West Burton Power, London Power Network Plc and Eastern Power Network Distribution Ltd.
Role of Respondent	Generator, Supplier, Distribution Business and Supplier Agent

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
Rationale: Further promotes competition in generation and supply of electricity.		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes
Rationale:		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
Rationale: By allowing domestic premises to negate HH metering obligation there will be a band of small business customers that will not be able to exploit NHH export metering. LE Group believes that the criteria could be moved to small businesses of up to 100kW demand or DCRP Band 2 premises for small commercial customers. This will further facilitate competition in generation and supply of electricity.		
Q4	Do you agree with the Modification Group view that "Domestic Premises" should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes
Rationale: It is appropriate to have a single definition of "domestic", but also to ensure that the same principle applies to the whole of the NHH market.		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	Yes

Rationale: Presently there are not enough domestic generators to justify a long term solution that would require new profiles for accurate settlement. Market uptake of domestic generating plant would need to reach over 3% of the total number of NHH premises in the market place to produce a noticeable effect on settlements, from spill onto networks. LE Group would be in favour of setting a trigger that is expressed as a percentage (not an absolute number), as this will make the process robust to BETTA.

Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option B / Option C
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Rationale: Option B for short term, as it allows a more accurate estimate of the premises consumption and production, reduces profiling errors and allows monitoring of the number of domestic generation units.

Option C for long term, as it will produce reasonable accuracy as penetration increases without HH metering.

Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
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Please state your views: If profiling Option A is used how will the impact of market uptake be monitored, unless additional data is provided.

Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	Yes
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Please state your comments

1. There will be an effect on distribution system Line Losses.
2. This is a preliminary response, based on the information available at this point, and our response may change as the Modification progresses.

P81_DEF_015 – Innogy

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views

are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Richard Harrison
Responding on Behalf of	Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited
Role of Respondent	Generator/Supplier/ Other

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	?
Rationale: It would appear at first sight to further BSC Objectives including facilitating competition in the generation & supply of electricity, although this requires debate because of possible issues (see below).		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	?
Rationale: We need to understand the implications in full. We are a bit concerned that the BSC appears to say that NHH metering equipment can be used for generating plant owned by the Supplier himself – Has something been “lost in translation” from the P&SA?		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
Rationale: Given the dangers of creating an artificially inflated incentive for introducing such technology, and uncertainties about the mode of operation and its effects on settlement & Imbalances, it would seem sensible to introduce a process for requiring Panel approval for such schemes, with the ability to impose conditions or volume limits, at least during the trial stage.		
Q4	Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes ?

Rationale:		
It isn't clear why the customer changing Supplier should affect eligibility or, indeed, why it makes a difference whether the premises is 'domestic' or not.		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term solution?	? Numbers
Rationale:		
There appears to be a need for a solution which is deliverable short-term to facilitate trials. However, there is a risk of opening up a market opportunity based on a distortion of the true economics and ignoring potential problems, which it is then very difficult to get back under control. If such technologies are to make a significant contribution to meeting environmental objectives longer-term, there is a strong possibility that significant market penetration will give rise to major issues for settlement volume allocation, network operation and potentially network planning and system security, which may require different provisions. It may therefore be preferable to go for a properly thought-out solution from the outset.		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Probably Option B
Rationale:		
Option A would potentially lead to distorted economics (cross-subsidies) and new uncertainties in the balance of demand and generation as capacity increased (possibly leading to security of supply risks). Option B would allow these issues to be addressed, using a mechanism similar to that already used for Unmetered Supplies (However, some work would still be needed to find identify suitable TPRs etc). Option C could be a better long-term solution.		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
Please state your views:		
The following issues need to be addressed:		
a) Distribution & Safety issues (Is there a weakness in the BSC Objectives here of the gas Network Code?)		
b) Effects of 'net' metering on the 'normal' Load Research sampling process, if there is significant market penetration.		
c) Are there potential 'REMA' type issues relating to the ownership of the Third Party Generating Plant?		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	No

Please state your comments

P81_DEF_016 – Western Power Distribution

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Graham Smith
Responding on Behalf of	Western Power Distribution (South West) Western Power Distribution (South Wales)
Role of Respondent	Distribution Business

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes
Rationale:		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	Yes
Rationale:		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Rationale:		

Q4	<p>Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence?</p> <p>If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?</p>	Yes
<p>Rationale: Leave as the simple one at the start of the licence. However, we also consider that modification P81 should include a capacity related limitation of 15KVA, the typical supply capacity for domestic premises.</p>		
Q5	<p>Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue?</p> <p>If so what do you believe are the triggers for a change to a longer term solution?</p>	No
<p>Rationale: By the time a trigger point has been reached for a change from one solution to another, there would be a large number of premises with the ‘interim’ solution. Issues associated with discrimination between premises treated under the old or new solution are inevitable. It must be more efficient to do this once.</p>		
Q6	<p>Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?</p>	Option B
<p>Rationale: Option A does not collect the data required for DUoS billing. Option B appears to be the most economic route to establishing an approximate profile without the costs of option C. Whilst the profile error will be smaller than that under option A it will not be as small as indicated by the graphs in the paper as these assume that the times of generation are accurately known. In addition, creating internal domestic wiring to meter gross import and export (option C) is likely to be a significant barrier to the technology.</p> <p>We note that the definition report makes reference to the fact that Distributors may require separate meter readings for import and export, in order to be able to accurately recover Use Of System charges. As a Distribution Business we can confirm this is an absolute requirement. If these readings were not provided by the settlement metering, separate non-settlement metering would be needed to provide us with the necessary data. The cost to the customer of providing this extra metering and the additional cost of separate data collection and processing would possibly act as a barrier to the introduction of the technology. We therefore recommend that only those settlement options involving metering that meets Distributor requirements be taken forward for assessment.</p>		

Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	No
Please state your views:		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	No
Please state your comments		
Consideration should be given to mandating the use of separate MPANS for import and export. This would add clarity to the settlement data collected from the metering system and would facilitate separate trading of the energy exported.		

P81_DEF_017 – MicroGen (late response)

P81 CONSULTATION

BSC Parties and other interested parties are invited to respond to this consultation expressing their views with respect to the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Dave Sowden
Responding on Behalf of	MicroGen – BG Group
Role of Respondent	(Other) ⁶

	Question	Response
Q1	Do you believe that the principle of removing the requirement for half hourly metering on Third Party Generators at Domestic Premises better facilitates the applicable BSC objectives?	Yes

⁶ Delete as appropriate

Rationale:		
Removing the requirement for half-hourly metering better facilitates the objectives of:		
<ul style="list-style-type: none"> <u>Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting competition in the sale and purchase of electricity</u> <p>Removing the requirement for half-hourly metering lowers a significant cost barrier to microgeneration. This increases competition in generation. In addition, an important route to market for energy efficient products such as DCHP will be through the provision of Energy Services. This also increases competition in supply.</p>		
<ul style="list-style-type: none"> <u>Promoting efficiency in the implementation and administration of the balancing and settlement arrangements</u> <p>“Efficiency” in this context should be viewed with the total cost in mind. Removing the requirement for half-hourly metering will remove substantial cost from the system overall, with only a marginal relative loss in economic efficiency.</p>		
Q2	Do you believe that the Modification as defined by the Modification Group in Section 4 of this report is the most appropriate interpretation?	No
Rationale:		
The proposer’s issue or defect description seeks to avoid inappropriate costs being imposed on MicroCHP plant and PV technologies. The remaining requirement in Section K to meter imports and exports separately could, depending on the interpretation of Section K, leave this defect in place for the smallest types of Microgeneration.		
Q3	Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
Rationale:		
The Modification Group should consider the impact of corresponding changes to Section K of the code to address the defect raised by the proposer. In particular, the Assessment Procedure should also consider the cost / benefit impact of removing the requirement for separate metering of imports and exports for generators in the smallest generation band emerging from the DCRP consultation exercise.		
Q4	Do you agree with the Modification Group view that “Domestic Premises” should be the same as the definition in the Electricity Supply Licence? If YES do you believe that the definition used, should be the simple definition at the start of the Licence or that the extra conditions defined in Condition 22 of the Licence should also apply?	Yes
Rationale:		
Q5	Do you believe that there is a need for a short term solution that is potentially different to the long term solution to this issue? If so what do you believe are the triggers for a change to a longer term	Yes

	solution?	
<p>Rationale:</p> <p>A short term solution should be to facilitate the connection of microgeneration during the initial stages. Early penetration of microgeneration technologies should be monitored carefully across a representative sample of the population to understand the true likely impact of widespread uptake. In this way, a longer term solution can develop that is justifiable on the grounds of actual experience. Prior to this, additional cost burden on these new technologies should be avoided, as the impact on the settlements system is likely to be negligible. By contrast, the cost impact on domestic scale generating devices of any additional metering is likely to be relatively large.</p>		
Q6	Which of the three profiling options do you believe better facilitates the applicable BSC objectives and should be used in progressing this Modification?	Option A / Option B / Option C¹
<p>Rationale:</p> <p>Option A should be adopted initially. As outlined in the answer to Q5, careful monitoring should take place so that the most appropriate solution can be applied (which could be Option B, C, or some other option) in the longer term.</p>		
Q7	Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure for this Modification, should the Panel decide to submit the Modification to the Assessment Procedure?	Yes
<p>Please state your views:</p> <p>The Assessment procedure should undertake a robust cost / benefit analysis to determine the mean and standard deviation error per customer in settlement for given options. This should be compared to the full cost of each metering / profiling configurations. It is particularly important that this takes full account of all metering costs – the capital cost of the meter, the installation costs, and any consequential costs arising from the need to scrap, recycle, or reallocate the existing meter.</p>		
Q8	Do you have any further comments on Modification Proposal P81 that you wish to make?	No
<p>Please state your comments</p>		