

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Request to raise a Modification Proposal

Profile Administrator: creating flexibility in discharging the service

We are requesting that the BSC Panel raises a Modification Proposal to create flexibility in our ability to discharge the Profile Administrator service.



ELEXON recommends that:
The Panel raises the attached Modification Proposal and progresses it to a one month Assessment Procedure.



This change will not impact participants.

High Impact:
ELEXON and the Profile Administrator.

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 1 of 7

© ELEXON Limited 2010

Contents

1	Why Change?	3
2	Solution	4
3	Proposed Progression	5
4	Likely Impacts	6
5	Recommendations	7
6	Further Information	7

About this document:

This document is a request to raise a Modification, which ELEXON will present to the Panel on 8 April 2010. The Panel will consider the recommendations and agree whether to raise a Modification and how it should be progressed.

If the Panel agrees to raise this as a Modification Proposal, then this paper will also form the Initial Written Assessment (IWA) for that proposal.

Further information is available in the Modification Proposal which is Attachment A to this document.



Any questions?

Contact:
Helen Boothman



helen.boothman@elexon.co.uk



020 7380 4130

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 2 of 7

© ELEXON Limited 2010

1 Why Change?



The Profile Administrator Service

All Non Half Hourly (NHH) sites are placed into Profile Classes. Each Profile Class has a specific Load Profile which represents the average pattern of electricity usage of supply market customers within that Profile Class. The Load Profiles form the basis of the estimated data used in Settlement until actual metered data can be obtained.

The Profile Administrator (PrA) gathers metered data across the course of the year from a representative sample of NHH customers. This data is then analysed and using regression analysis a series of generic Load Profiles produced. These profiles are subsequently used in Settlement by the Supplier Volume Allocation Agent (SVAA).

As such, the PrA service is broadly split into two parts:

- Data Collection

The PrA collects data from meters that make up the profiling sample. There are three different arrangements for doing this:

1. Collecting data from secondary meters that are installed and maintained by the PrA (approx. 2500 sites)
2. Receiving and validating data sent to the PrA by Suppliers (approx. between 150-250 sites – increasing by the same amount year on year going forward, as the older secondary meters are replaced by Half-Hourly capable Settlement metering)
3. Offering NHH agency services to Suppliers by collecting and validating data from the Half-Hourly capable Settlement metering on behalf of Suppliers, submitting this data to Settlement as well as using the data for profiling (approx. between 150-250 sites – increasing by the same amount year on year going forward)

- Data Analysis

Using the collected data to produce the defined deliverables (Group Average Annual Consumptions, Regression Coefficients and Profile Coefficients) needed to determine accurate NHH profiles. These are produced annually and to a set timetable.

The analysis process involves inputting data into a bespoke application (owned by ELEXON) and manipulating the data using a series of specially designed spreadsheets to produce the values listed above.

Reasons for change

The current PrA contract includes both data collection and data analysis services. This contract ends on 31 March 2011. Re-procuring the service provides an opportunity to deliver increased value to our customers.

We believe that we can achieve significant cost savings by splitting out the two distinct aspects of the role. This would allow us to undertake a focussed and competitive procurement for the data collection service, whilst enabling ELEXON to bring the data analysis function in house.

The data analysis service requires skills and experience in statistical analysis which we already have within ELEXON. Furthermore, whilst the data collection aspect of the service is a full time role, the data analysis function only needs to be performed during a certain period of the year. Our initial estimates therefore indicate that we could obtain material cost savings for our customers by delivering this part of the service in-house.

Who is the Profile Administrator?

The Profile Administrator (PrA) is a BSC Agent who is responsible for the production of Non Half Hourly Load Profiles.

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 3 of 7

© ELEXON Limited 2010

This Modification would also give the flexibility for us to deliver other aspects of the PrA role in-house in the future where this is the most efficient/economic approach. Metering technology is continually evolving. Future planned developments in the market such as the introduction of smart metering highlight this. Enabling ELEXON greater flexibility in delivering the PrA service ensures that as the market evolves, and what is the most efficient method of discharging the service changes, we can rapidly adapt to continue to provide the most efficient/economic approach.



What is Applicable BSC Objective (d)?

'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'.

2 Solution

Creating flexibility and efficiency

This Modification seeks to give ELEXON (as the BSCCo) the ability to discharge the duties of the Profile Administrator in the most efficient manner. This includes the ability for us to undertake, in whole or in part, elements of the service.

As noted above, this change would enable us to deliver the provisions of the PrA service in the most efficient manner, resulting in material cost savings for the industry. It would also provide the flexibility to ensure that as the market evolves we can readily ensure continual efficient delivery of the service. As such, we believe this Modification would better facilitate the achievement of **Applicable BSC Objective (d)**.

Why is a Modification needed?

There is a provision in Section C of the BSC for ELEXON (as the BSCCo) to provide the PrA service itself under certain circumstances - i.e. where attempts to appoint a PrA have been unsuccessful and the Panel's prior consent has been obtained.

However, ELEXON cannot currently undertake any part of the PrA service itself unless these circumstances are met. In addition, the Code does not currently permit ELEXON to provide the PrA service itself for any period exceeding one year without further Panel approval.

What Will Change?

This Modification will not impact BSC Parties. There is no intention to amend the role, services or functionality of the PrA. Similarly there is no intention to amend current requirements on participants. This Modification is an enabling change.

This Modification will give ELEXON the flexibility to undertake parts of the PrA role ourselves. While our view is that it should not specifically state which parts, the intention is to bring the data analysis functionality of the PrA in house and complete a competitive procurement for the data collection service.

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 4 of 7

© ELEXON Limited 2010

3 Proposed Progression

Because of the interaction with the forthcoming PrA procurement exercise, we recommend that (if the Panel agrees to raise this Modification) a one-month Assessment Procedure is necessary in order that we can obtain an Authority decision before we issue the formal Invitation to Tender (ITT) for the service. This will allow us to know which parts of the service we need to procure.

We believe that this timetable is feasible, based on the suggested Terms of Reference and activity plan below.

Terms of Reference

Terms of Reference
We recommend that the Modification Group is formed from members of the Volume Allocation Standing Modification Group (VASMG).
We recommend that the Group considers the following:
The principle of ELEXON discharging all or part of the PrA service for reasons of efficiency, and how this would be best achieved (e.g. through the existing BSC Agent role, or as a service provider).
Whether there is any Alternative Modification which would better facilitate the achievement of the Applicable BSC Objectives in relation to the identified issue or defect.
The most appropriate implementation approach for the Modification.
The most appropriate legal drafting to deliver the solution.

Progression Costs

Estimated progression costs based on proposed timetable	
Meeting costs (including Modification Group member expenses)	£1,000 (based on 2 meetings)
ELEXON resource	36 man days, equating to £8,580

Timetable

Assessment activity	Date
Modification Group meeting 1	12 April 2010
Assessment Consultation drafted (including Group review)	13 – 15 April 2010
Assessment Consultation issued and legal text drafted	15 - 28 April 2010
Modification Group meeting 2	29 April 2010
Draft Assessment Report (including Group review)	30 April – 06 May 2010
Submit Assessment Report to Panel	07 May 2010
Present Assessment Report to Panel	13 May 2010



How will this Modification be progressed?

If the Panel agrees to raise this Modification, we recommend that it proceeds to a one-month Assessment Procedure.

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 5 of 7

© ELEXON Limited 2010

4 Likely Impacts

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential impact
Profile Administrator contract	<ul style="list-style-type: none"> Only parts of the PrA role (e.g. data collection) may fall under contract to a third party if this Modification is implemented

Impact on BSC Parties and Party Agents

None, as the role of the PrA will remain unchanged

Impact on Transmission Company

None

Impact on ELEXON

Area of ELEXON's business	Potential impact
Service Delivery	Reprocurement approach for PrA service, and potentially undertaking parts of the PrA service.

Impact on Code

Code section	Potential impact
Section C 'BSCCo and its Subsidiaries'	Removal or alteration of provision for BSCCo to undertake PrA role only under certain circumstances.
Section E 'BSC Agents'	Dependent on solution.
Section S 'Supplier Volume Allocation'	Dependent on solution.

The Profile Administration Service Description and other Configurable Items may be impacted.

There is no impact on any Core Industry Documents.

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 6 of 7

© ELEXON Limited 2010

5 Recommendations



We invite the Panel to:

- **AGREE** to raise the Modification Proposal as included in Attachment A.

If the Panel agrees to raise the Modification Proposal, we also invite the Panel to:

- **DETERMINE** that the Modification Proposal progresses to the Assessment Procedure;
- **AGREE** the Assessment Procedure timetable such that an Assessment Report should be completed and submitted to the Panel at its meeting on 13 May 2010;
- **DETERMINE** that the Modification Group should be formed from members of the Volume Allocation Standing Modification Group (VASMGM); and
- **AGREE** the Modification Group's Terms of Reference.

Recommendation

We invite the Panel to raise the Modification and submit it to a one-month Assessment Procedure.

6 Further Information

More information is included in the Modification Proposal form which is Attachment A to this document.

167/10

Profile Administrator
Request to raise a
Modification Proposal

1 April 2010

Version 1.0

Page 7 of 7

© ELEXON Limited 2010