Stage 04: Final Modification Report

What stage is this document at in the process?

- 01 Initial Written Assessment
- 02 Definition Procedure
- 03 Assessment Procedure
- 04 Report Phase

P292: 'Amending Supplier & Meter Operator Agent responsibilities for smart Meter Technical Details'

This Modification Proposal seeks to enable changes to Supplier and Non-Half Hourly Meter Operator Agent responsibilities for smart Meter Technical Details proposed by the Department of Energy and Climate Change's Smart Metering Implementation Programme

The Panel recommends
Approval of P292 'Amending Supplier & Meter Operator Agent responsibilities for smart Meter Technical Details'

High Impact:
Suppliers
Non-Half Hourly Meter Operator Agents

Medium Impact:
Non-Half Hourly Data Collectors
Licensed Distribution System Operators

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About this document:

This is the P292 Final Modification Report, which ELEXON has submitted to Ofgem on behalf of the BSC Panel. It includes a summary of the Panel's full views and the responses to the Panel's Report Phase Consultation. Ofgem will consider this report and will decide whether to approve or reject P292.

Any questions?

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1 Summary

Why Change?

The Department of Energy and Climate Change's (DECC) Smart Metering Implementation Programme (SMIP) under its Business Process Design Group (BPDG) has set out an operating model for smart Meter Technical Details (MTDs). This introduces a new principle whereby Suppliers will have direct responsibility for how smart Meters operate and will take responsibility for sending the MTD flows to all industry users in place of their appointed Meter Operator Agent (MOA). The MOA, however, will remain responsible for providing physical device details to the Supplier.

The existing BSC provisions reflect that the MOA must send MTD flows. The BSC needs to be amended to reflect the proposed new obligations on MOAs and Suppliers. Without these changes to the BSC the principles developed by SMIP cannot be implemented and would be at odds with Suppliers' and Non-Half Hourly (NHH) MOAs' future responsibilities as defined under DECC's SMIP operating model.

Furthermore, the BSC amendments are a necessary precursor to the implementation of detailed solution requirements under the BSC. Without the relevant obligations on Suppliers and MOAs in the Code, the necessary changes cannot occur in the Code Subsidiary Documents (CSDs) that underlie the BSC and set out detailed obligations and processes.

Solution

P292 proposes to amend:

- Section S to reflect that Suppliers are responsible for establishing and maintaining MTDs for smart NHH Metering Systems rather than MOAs; and
- Section X to include a definition of the Smart Metering Equipment Technical Specification (SMETS).

However, though P292 would place the responsibility with respect to smart Meter MTDs upon Suppliers rather than NHHMOAs, P292 would not preclude Suppliers discharging this responsibility via an agent. Particularly under P292, Suppliers would be able to discharge the responsibility through its NHHMOA, if it wished to do so.

Impacts & Costs

P292 would impact Suppliers and NHHMOAs, whose responsibilities will change with respect to providing MTDs for smart Meters; and NHH Data Collectors (NHHDC) and Licensed Distribution System Operators (LDSO) as recipients of these MTDs. The estimated BSC Agent and ELEXON implementation cost is approximately £240 for managing the implementation project and making the changes to the BSC.

Implementation

If approved P292 would be implemented as part of the June 2014 BSC Systems Release.

The Case for Change

The majority of the Panel believes that P292 would better facilitate Applicable BSC Objective (d) by enabling Suppliers and NHHMOAs to fulfil their future responsibilities as being defined under DECC's SMIP operating model.

Recommendations

By majority, the Panel's recommendation to the Authority is that it should approve P292.

What's the Issue?

The government's Smart Metering Implementation Programme's operating model for Meter Technical Details (MTDs) for smart Meters amends the responsibilities of Suppliers and NHHMOA. Suppliers will have direct responsibility for how smart Meters operate and for sending the smart MTDs to industry users.

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2 Why Change?

Background

The BDPG under DECC's SMIP has defined requirements in relation to smart metering[1] arrangements, which impact existing electricity and gas codes.

The SMIP has set out an operating model for smart MTDs. MTDs are sets of data relating to the Metering Equipment installed at each customer premises. These data sets are currently maintained by an MOA and are distributed to the relevant Supplier, DC and LDSO for each Metering System to which the MOA is appointed. They are needed to allow recipient systems to accurately interpret and process Meter readings and so, in the case of the DC, impact the accuracy of Settlement.

Under the SMIP operating model, Suppliers will have direct responsibility for how smart Meters operate and will take responsibility for sending the MTD flows to all industry users in place of their appointed MOA. The MOA, however, will remain responsible for providing physical device details to the Supplier.

The BDPG considered five options when setting out its preferred approach. The SMIP preferred "option 2", which introduced the new principle of Suppliers establishing and sending MTDs. This option was also intended to allow the utilisation of existing flows, rather than necessitating the creation of new flows, in a bid to minimise change. However, when DECC passed the development of the solution to an industry workgroup it made it clear that it was happy for industry to develop a workable solution as long as it met the overall objectives for the SMIP. This provided the workgroup with more flexibility than other work streams, such as the registration-related work, which was more tightly defined due to its direct link with the Data and Communications Company (DCC) procurement activity.

BSC-MRA Working Group

At the behest of DECC, ELEXON and Gemserv set up a joint BSC – Master Registration Agreement (MRA) working group with a remit of developing the operating model in more detail taking a holistic approach across the relevant electricity governance codes, namely the BSC and MRA.

The group approached this by developing the detailed solution before establishing what necessary Code changes were required to reflect the changes in responsibility and that would enable a detailed solution in the CSDs.

This group met seven times between 27 February 2012 and 12 February 2013 and issued a consultation on a high-level solution on 1 October 2012.

The consultation outlined the high level solution and providing a set of optional solution elements. The responses from the industry consultation included those from Suppliers (large, medium and small), LDSOs, MOAs and DCs. Twelve out of nineteen respondents supported the overall high level proposal, but there was a diversity of views about some of the features of the solution. The complete set of responses can be found here.

What is the issue?

In order to implement the principles of the group's conclusions, of Suppliers being responsible for establishing and sending MTDs, the BSC needs to be amended to reflect

[1] For the purposes of P292, smart Meters will be defined as any Meters that comply with the Smart Metering Equipment Technical Specification (SMETS).

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the new obligations on MOAs and Suppliers. Without these changes the principles developed by SMIP cannot be implemented.

Detailed Solution within Code Subsidiary Documents

Furthermore, the BSC amendments are a necessary precursor to the implementation of any detailed solution requirements within the BSC. Without the relevant obligations on Suppliers and MOAs in the Code, the necessary changes cannot occur in the CSDs.

Whilst considering the consultation responses and industry opinion, the BSC-MRA Work Group considered a number of different options for how best to implement the necessary changes. Similar to the responses received to the consultation, views in the group were also diverse on how to deliver key features of the solution. It was clear to the group that any solution created would not satisfy all parties due to the nature of the diverse and opposing views. Therefore the group agreed a solution that consisted of those features, for which there was majority support; and acknowledged that whilst not everyone agreed with all aspects of the solution it was a sensible compromise and a pragmatic approach. As such, ELEXON raised CP1388 'Meter Technical Details for Smart Meters' to progress the group's agreed solution.

Whilst the group only took forward a single detailed solution to propose changes for inclusion in the CSDs, it is noted that there are industry participants that would prefer different solutions. However, at the time of submitting this report, there has been no other CPs raised.

This Modification introduces a provision in the Code to enable a detailed solution to be incorporated into the CSDs, and enables implementation of <u>any</u> detailed solution, not just CP1388.

Note that because the relevant Panel Committee, the Supplier Volume Allocation Group (SVG) was not able to reach a unanimous decision on CP1388, this CP will be presented to the Panel for decision.

3 Solution

Proposed Solution

The MOA responsibilities for maintaining and distributing MTDs are set out in BSC Section S2.2 'Meter Operator Agents'. P292 proposes to amend:

- Section S to reflect that Suppliers are responsible for establishing and maintaining MTDs for smart NHH Metering Systems rather than MOAs; and
- Section X to include a definition of the Smart Metering Equipment Technical Specification.

The final legal text is contained in Attachment A.

As noted above, the implementation of P292 would not mean that the detailed solution requirements set out in CP1388 would be approved. It does however mean that CP1388 <u>could</u> be approved, as could <u>any</u> solution that introduces detailed requirements into the CSDs that reflect the key principles being introduced by P292.

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4 Impacts & Costs

Impact on BSC Parties and Party Agents
Suppliers – change of responsibilities and managing two parallel processes (smart and legacy NHH)
Non-Half Hourly Meter Operator Agents – change of responsibilities and managing two parallel processes (smart and legacy NHH)
Non-Half Hourly Data Collectors – change in sender of MTDs will impact on this role as the recipient
Licensed Distribution System Operator – change in sender of MTDs will impact on this role as the recipient

Impact on Transmission Company
None

Impact on ELEXON	
ELEXON effort	ELEXON would manage the implementation project and make the changes to the BSC - 1 man day, equating to approximately £240

Impact on Code	
Code section	Potential impact
Section S	Changes will be required to implement the solution. The proposed changes can be found in Attachment A.
Section S – Annex S-2	Changes will be required to implement the solution. The proposed changes can be found in Attachment A.
Section X – Annex X-1	Changes will be required to implement the solution The proposed changes can be found in Attachment A.

Impact on Code Subsidiary Documents
None – will be covered under CP1388 or any alternative CPs

Impact on Core Industry Documents and other documents
None

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5 Implementation

Implementation approach

Implementation of P292 would require only minimal changes to the BSC. However, the detailed amendments to the CSDs may require significant changes and development of participants' systems and processes. The Panel agree with the Proposer and ELEXON's view that P292 should be implemented in parallel alongside any CP that delivers the detailed requirements as part of the June 2014 BSC Systems Release.

This lead time is not necessary for P292 itself, but is to allow for the development, approval and implementation activities associated with any related CP. It is envisaged that P292 would be approved reasonably promptly, enabling the industry and ELEXON to have certainty around the relevant BSC obligations while developing the detailed requirements to put those obligations into practice. Therefore, ELEXON requires the Authority's decision on P292 by 2 January 2014.

6 The Case for Change

Justification against the Applicable BSC Objectives

The Panel agreed by majority that P292 would better facilitate the achievement of **Applicable BSC Objective (d)** 'promoting efficiency in the implementation of the balancing and settlement arrangements'.

This is because P292 would align the BSC with DECC's SMIP operating model, enabling Suppliers and NHHMOAs to fulfil their future responsibilities in accordance with the model's principles.

However, the minority view was that whilst P292 may better facilitate the achievement of Applicable BSC Objective (d), it would not better facilitate the achievement of **Applicable BSC Objective (c)** 'promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity'.

7 Panel Initial Discussions

Direct to Report Phase

The Panel noted that the SMIP considered a number of options, but that the concept of the Supplier establishing and providing MTDs for smart Meters to other parties was the preferred choice. The Panel also noted that the Smart Energy Code (SEC) will be establishing governance around the services provided by the DCC, which will enable Suppliers to configure smart Meters remotely but will not enable MOAs to do so in their own right.

The Panel therefore agreed that introducing the high level key principle of Suppliers' responsibility for smart Meter MTDs into the Code would not benefit from a workgroup assessment, and that P292 should proceed directly to the Report Phase as the solution aligns the Code with the changes in responsibility reflected by the SMIP operating model for smart Meters.

What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

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However, the Panel asked that P292 be presented to its May 2013 meeting rather than April. It felt that this would highlight the smart issues being progressed to the industry and provide sufficient time for any Parties to raise an alternative solution to CP1388 (see below) for the Panel to consider.

CP1388

The Panel noted that P292 references CP1388. CP1388 was the BSC-MRA Work Group's preferred solution to introduce the necessary detailed requirements into the CSDs, should P292 be approved. ELEXON clarified that approval of P292 does not automatically introduce the CP1388 requirements and merely enables 'a hook' in the Code for any detailed requirements to be introduced through a CP.

The Panel noted that it would be asked to make a decision on CP1388 at a later meeting once a decision on P292 had been determined. It agreed that due to the diverse and opposing views on the detailed solution, and the SVG's recommendation by majority for the Panel to reject CP1388, more time should be allowed for an alternative to CP1388 to be raised.

ELEXON intend to present CP1388 to the June 2013 or July 2013 Panel meeting, depending on the progression of P292.

Self-Governance Criteria

The majority of the Panel believed that although the Code changes were minor, they reflected a change to process and on Party obligations and as such should not be progressed as a self-governance modification.

One Panel member stated that they were unsure of the materiality that such a change would bring and was therefore unsure as to whether or not P292 should be progressed under the self-governance process.

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8 Report Phase Consultation Responses

This section summarises the responses to the Panel's Report Phase Consultation on its initial recommendations. You can find the full responses in Attachment B.

Question	Yes	No
Do you agree that the draft legal text, in Attachment A, delivers the intention of P292?	6	2
Do you agree with the Panel's suggested Implementation Date?	5	3
Do you agree with the Panel's view that P292 better facilitates the achievement of BSC Objective (d)?	6	2
Do you agree with the Panel's view that the Proposed Modification shouldn't be progressed as a self-governance modification?	7	1
Do you agree with the Panel's views that the Proposed Modification should be approved?	5	3

Views on legal text

The majority of respondents to the Report Phase Consultation agree that the draft legal text delivers the intention of P292.

Two respondents and ELEXON have identified some minor amendments to address typographical errors or to add further clarification, without amending the intended meaning of the legal text. These include:

- Split S2.2.1(b) into (i) and (ii) to clarify that compliance with the SMETS refers to the NHH Metering Systems, not the Half Hourly Metering Systems;
- Missing "Hourly" from "…Non Half Hourly Metering Systems that have not been installed in compliance with the Smart Metering Equipment Technical Specifications…" (S2.2.1(b))
- Replaced "which" with "that" in S2.2.1(b)(ii) and (c), as the clauses are restrictive;
- S-2 4.3.1 (f) missing "be" following "…as the case may"; and
- Removed from the definition of Smart Metering Equipment Technical Specifications in Annex X-1 the word "Energy" prior to "Supply Licence", as Supply Licence is already defined with the BSC and use of another term would require a further definition and would be superfluous.

There are three arguments received from respondents not supportive of the proposed legal text. These are:

- Two respondents point out that Section L2.4 already sets out the responsibility of the Supplier (as Registrant of the Metering System) for establishing, maintaining and providing MTDs, which it can delegate to its agents. Therefore, one argues that the additional paragraph Section S 2.7.8A is not required; and another respondent is not convinced that P292 is required at all. The latter respondent suggested that in addition to Section L 2.4.1 (c) allowing for this already, it also

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recommends that the current requirements on the MOA under Section S 2.2.1 should be clarified as:

> "The principal functions of a Meter Operator Agent in respect of SVA Metering Systems that have not been installed in compliance with the Smart Metering Equipment Technical Specifications and for which it is responsible are:…"[2]

- A respondent wanted to capture the concept of compliance at time of installation.

- One respondent believes that as the SMETS may undergo changes under the SEC, therefore the BSC should also reference the SEC.

We do not believe that any changes should be made to legal text in response to these arguments. ELEXON's opinion with respects to the comments relating to the legal text is outlined below.

Section L and Section S changes

We agree with the point that Section L2.4 already puts the responsibility on the Supplier (as the Registrant of the Metering System). However, as Section S sets out the responsibilities of the Supplier and Supplier Agents; and provides the "hook" to the BSC for the detailed solutions in the CSDs for (amongst other things) how, who and when MTDs are provided and to whom, then changes are required to Section S so as not to:

- create uncertainty by lack of definition for the responsibilities for the provision of MTDs (including for the legacy arrangements); and
- conflict with the smart Metering mechanism, which places the onus of configuring and completing the MTD on the Supplier alone.

Furthermore, any gap or conflict between the SEC and BSC, such as not having processes for SMETS compliant Meters and associated processes, or such as how and by whom the MTDs are communicated to the NHHDC, could result in conflicting and inefficient processes for ensuring accurate metering data is collected for Settlement purposes.

Therefore, we conclude that changes to Section S are required to clarify the responsibilities where there is a SMETS compliant Meter and enable a "hook" within the BSC for the detailed requirements.

Concept of Compliance at time of installation

We also do not believe there is a need to capture the concept of compliance at time of installation, as P292 does not propose retrospective application of the responsibilities. Therefore, a SMETS compliant smart Meter installed before the implementation date would follow the current requirements and only follow the new requirements once the Meter is reconfigured or replaced. This is in line with the current requirements.

Reference to the Smart Energy Code

We agree that it may become necessary to add a reference to the SEC into the BSC; however, the BSC cannot refer to a legal document that has not yet been given full effect. We believe we will need to incorporate a definition and reference to the SEC once it has

[2] The respondent believes that this wouldn't satisfy BSC Objective (d), but it believes it would satisfy Objective (c) by allowing Suppliers to determine how best to maintain these smart MTDs and which would be less of a commercial constraint.

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been finalised and agreed, which would only need to be done once we know on which date it comes into force. This can therefore be picked up at a later date, as required.

You can find the proposed changes in Attachment A, which also incorporates the above amendments.

Views on Implementation Date

The majority of respondents to the Report Phase Consultation support the Implementation Date proposed by the Panel for P292.

There are two arguments received from respondents against the Implementation Date:

- Two respondents agree that P292 should be implemented alongside any detailed solution, but as the detailed solution may not be CP1388 and the industry has yet to provide an impact assessment on any alternative CP, they are unable to say if the recommended Implementation Date is appropriate. Whilst another respondent is supportive of the Implementation Date, it does not believe any detailed solution should necessarily be tied to the same Implementation Date.

- One respondent believes that the effective from date should be aligned with the DCC go-live date. It points out that the BPDG Legacy System Changes (Enduring) paper (6 October 2011) is the driver for this Modification and the detailed changes, sets out that such changes should cover the period commencing on the DCC go-live date. The respondent recognises that changes may be needed prior to this to enable those wishing to participate in the foundation stage do so for testing purposes, but that actual implementation should be aligned with the DCC go-live date, so those that do not wish to be part of the foundation stage don't have to make significant changes to systems and processes.

We believe that implementation in June 2014 will align with the introduction of the smart arrangements, and that implementing P292 at the same time as a related detailed solution would be beneficial since a supporting CP could not be approved without the P292 Code changes having been approved for implementation (and the Implementation Date of such CP could not be prior to the P292 Implementation Date), but it would also not be desirable for a supporting CP to be implemented at a later time than the Implementation Date of P292 because this would mean there would be a period when the CSDs did not align with the BSC. However, it would also be beneficial for P292 to be approved as quickly as possible so that there is certainty around the BSC provisions which a supporting CP would need to reflect and facilitate.

Additionally, though at this time it is anticipated that such aligned implementation should take place in June 2014, it should be noted that Section F of the BSC provides for the Authority to take steps to obtain a revised Implementation Date if it considers that the proposed Implementation Date is no longer appropriate. Furthermore, progression of a supporting CP would be separate to P292, and while it would need to take into account the progress of P292, it would also need to consider other relevant factors (e.g. Parties implementation timescales). Therefore, P292 cannot itself bind any supporting CP to a specific Implementation Date.

It is the mass rollout of SMETS compliant Metering Systems towards the end of 2014 and the need to test processes and systems prior to that, which is the driver to implement P292 as part of the June 2014 BSC Release, not the DCC go-live date. As such, we do not

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believe it is necessary to link P292 to the DCC. This is reflected in the comments of respondents in support of the proposed Implementation Date.

There are five arguments received from respondents in support of the Implementation Date:

- One respondent points out that as DECC have proposed that the DCC will go live in the final quarter of 2014, following a period of market readiness testing, responsibilities and the detailed solution should be in place in sufficient time to be included in the market readiness testing to prevent a risk in terms of DECC's timelines for the go-live for the DCC.

- The same respondent notes that this is in line with the expected start of rollout of SMETS compliant Metering Systems prior to the DCC go-live as part of the foundation phase.

- It also believes that where SMETS compliant Metering Systems are installed prior to DCC, it expects that most Suppliers are likely to be configured by the Supplier using a service provider/Smart Metering System Operator (SMSO) in a similar manner as if the full smart arrangements were in place and would therefore require interim-parallel processes for the Supplier and NHHMOA to be compliant with the BSC.

- Two respondents note that the Implementation Date enables sufficient time for parties to develop the systems and process changes required to facilitate P292.

- One respondent, although not supportive of P292, is supportive of the Implementation Date as it agrees that the BSC would need to be changed prior to making changes to the CSDs.

Views on Applicable BSC Objectives

The majority of respondents to the Report Phase Consultation agree with the Panel's initial view that P292 would better facilitate Applicable BSC Objectives (d).

There are two arguments against the view that P292 would better facilitate Applicable BSC Objective (d). These are:

- One respondent noted that removing a Supplier's ability to delegate responsibility (to any Qualified NHHMOA) may mean that the Supplier incurs significant costs in system changes, which may have a limited shelf life depending on how the DCC will operate in future and therefore argues that changes should be minimal to ensure efficiency.

- Another respondent believes that the BSC changes should be confined to those consequential changes that are strictly relevant to Settlement, at least until all is known about the scope and impact of the SEC on Settlement, and believes that the Proposal adds a further layer of complexity to accommodate something that has no bearing on Settlement. Therefore, it does not believe that P292 better facilitates objective (d) and any responsibilities and requirements relating uniquely to smart Meters should be covered by the SEC.

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There are three arguments in support of the view that P292 would better facilitate Applicable BSC Objectives (d). These are:

- Three respondents agreed that P292 enables Suppliers and NHHMOAs to fulfil their future responsibilities as defined under DECC's SMIP operating model.

- One respondent noted that the number of parties involved in distributing the data will be reduced and Suppliers rather than Supplier Agents will be responsible for smart Meters.

- One respondent felt that it is the only objective that fits.

One respondent has also argued that P292 would also allow BSC Objective (c), relating to purchase and sale of energy and competition, to be better met, through more accurate and timely volume allocation; in addition to BSC Objective (d), concerning effective operation of BSC processes to be better met, in the long term once new processes are in place.

View on self-governance

All but one respondent agreed with the Panel's view that P292 reflected a change to process and on Party obligations and as such should not be progressed as a self-governance modification. One respondent also noted that approval as self-governance could result in wasteful use of resources in an appeal to the Authority.

The one respondent that did not agree with the Panel's view believes that P292 is an enabler to facilitate the change to how current obligations will be delivered for smart Meters; and it does not introduce new obligations but transfers them from the NHHMOA to the Supplier.

Views on whether P292 should be approved

The majority of respondents support the approval of P292.

There are five arguments received from respondents against approval of P292:

- Two respondents believe the obligations on the Supplier to "establish, maintain and provide" MTDs is already covered under Section L of the BSC and therefore does not require further amendment.

- The same two respondents would have been more supportive of an alternative that enabled the transfer of MTDs from the Supplier to the NHHDC, with one specifically advising that it would have liked to have seen the legal text provide the Supplier with optionality to delegate the responsibility to the NHHMOA.

- Two respondents, including one of those that made the first two points, believe that the MTD changes as specified by the BSC-MRA Work Group have not kept within the spirit of minimal change approach as first outlined by the Legacy System Changes paper; and that due to the complexity of the changes proposed, and the links between P292 and any detailed changes within the CSDs, P292 should be rejected and further consultation should be carried out on the "minimal change" options.

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- Three respondents believe that reference to CP1388, or any detailed requirement, should be removed from P292 and replaced with a statement that 'any detailed requirements will be defined subsequently'.

- One respondent is concerned that sending this Modification straight to the Report Phase could limit the debate and any Alternative Modification to be raised.

There are three arguments for the approval of P292:

- One respondent agrees that this will align the BSC with DECC's SMIP operating model, so requiring and enabling Suppliers and NHHMOAs to fulfil their future responsibilities. One respondent believes that DECC have effectively mandated P292 by making it clear that only Suppliers will have the authorisation to perform any update on a smart Meter, meaning that only they will be able to configure the Meter for Settlement purposes; and MOAs will have no access at all to this functionality.

- Two respondents believe P292 will allow for more efficient industry processes to be developed, especially in regards to the passing of MTDs to the NHHDC. One noted that this in turn will reduce the incidence of missing or erroneous data, and the effort and time required to resolve problems, and so allow more timely provision of more accurate data to be passed into Settlement than currently; whilst the other respondent noted this would be driven by having the Supplier responsible for maintaining and distributing the data rather than the NHHMOA.

- One respondent recognises the need for P292 to be implemented in order to allow subsequent changes to CSDs to be progressed that will enable the implementation of an appropriate solution to effectively manage Smart metering data.

Consequences if P292 is not approved

If P292 is not approved, NHHMOAs will be responsible for sending MTDs for SMETS compliant Metering Systems to the NHHDC. This will mean that:

- the BSC would not be in line with DECC's SMIP operating model;

- neither CP1388, nor any alternative detailed solution that aligns with the SMIP operating model where the Supplier is responsible for providing the MTDs, could be approved; and

- the Supplier would need to provide configuration details to the NHHMOA, for the NHHMOA to then act as a "post box" to provide the MTDs to the NHHDC and Supplier – to formalise and detail this, a new CP would need to be raised to amend the CSD, which could also include new dataflows (as per CP1388) or amendment to, or supplementary to, the current dataflows.

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Introduction of detailed requirements through a separate CP

As explained above, P292 introduces high level smart Meter MTD obligations into the BSC, but the detailed requirements to put these obligations into practical effect will be implemented through changes to CSDs progressed by a separate CP.

CP1388 is currently being progressed, and is the result of substantial work by the BSC-MRA Work Group. CP1388 has been issued for industry impact assessment, and the SVG has given its recommendation on the CP, though the CP cannot be approved until the enabling Code changes have been approved.

The SVG recommended by majority that CP1388 should not be approved, but since this was not unanimous the decision reverts to the Panel (under the terms of the Panel's delegation of Authority to the SVG).

The Panel noted that therefore CP1388 would be presented to it for decision at its meeting in June, subject to P292 having been approved by that point. The Panel noted that though P292 and CP1388 are linked, and CP1388 is contingent on P292, P292 is not contingent on CP1388. The Panel's recommendation, and the Authority's decision, on P292 is independent of CP1388 and implementation of P292 would not be subject to implementation of CP1388.

The Panel also noted that there had already been a significant amount of time for industry participants to raise a CP or CPs to progress alternative solution(s) to put the P292 obligations into effect. Though so far no such CPs had been raised, it remains possible that they might be, and the Panel considered that if this was to happen it would be important to get the industry's views on such CPs and for the SVG to consider them. ELEXON confirmed that this would be accomplished through the BSC change process if such CPs were raised, and ELEXON would undertake to provide suitable assistance to the industry, SVG and Panel to facilitate the effective progression of CP1388 and any other associated CPs, in the case that other CPs are raised.

P292 Legal Text

Some respondents to the P292 Report Phase consultation did not believe that the P292 legal text made it clear that under the P292 provisions the Supplier could discharge its MTD responsibilities through the NHHMOA appointed to the smart Metering System. ELEXON confirmed to the respondents that P292 would permit the Supplier to discharge its responsibilities through its NHHMOA, and did not suggest any changes to the legal text as part of the Draft Modification Report submitted to the Panel.

However, when presenting the Draft Report to the Panel, ELEXON asked the Panel whether it wished to consider amending the P292 legal text to clarify it in this respect, and suggested this might be achieved by revising the wording to make it clear that the relevant Supplier's obligation was to **ensure** that MTDs are established, maintained and provided to the relevant Non Half Hourly Data Collector, thereby clarifying that it would not necessarily carry out these activities itself but would remain responsible for them if it delegated them to an agent.

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The Panel supported the aim of clarifying the legal text, but was uncomfortable with revising the P292 Legal Text without having had a chance to consider specific suggested changes prior to the meeting. Since the legal text delivers the intent of P292, and given the Panel's discomfort with changing the legal text with little notice, the Panel agreed not to change the legal text to add further clarification.

The Panel therefore agreed to recommend to the Authority the Legal Text provided in the Draft Modification Report (i.e. which was consulted upon), subject to the correction of some typographical errors. The Panel's agreed legal text is in Attachment A.

Panel's final views on legal text

The Panel unanimously approved the proposed changes to the BSC for P292, which can be found in Attachment A.

Panel's final views on Implementation Date

The Panel unanimously approved the implementation approach, as detailed in Section 5, with P292 implemented as part of the June 2014 BSC Systems Release.

Panel's final views on the Applicable BSC Objectives

The majority of Panel Members' final view is that P292 would better facilitate Applicable BSC Objectives (d). The views of these Members are in line with those that have been previously expressed by the majority of the Report Phase Consultation respondents in Section 8 who felt P292 did better facilitate the Applicable BSC Objectives.

One Panel Members' final view is that P292 would facilitate Applicable BSC Objectives (d) but would not better facilitate the achievement of Applicable BSC Objective (c) 'promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity', and that the detriment to Objective (c) would outweigh the benefit against Objective (d). The Panel Member believed that P292 would negatively impact Objective (c) because it would have an adverse impact on competition in the Supply market because the implementation of P292 could result in some Suppliers incurring significant costs in system changes; whilst other Suppliers may not have significant costs.

By majority, the Panel believes that P292 does better facilitate the Applicable BSC Objectives, and therefore recommends that P292 should be approved.

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10 Recommendations

The BSC Panel recommends to the Authority:

- that P292 **should** be made;
- an Implementation Date for P292 (if approved) of 26 June 2014 if the Authority decision is received by 2 January 2014; and
- the BSC legal text for P292.

11 Further Information

More information is available in:

Attachment **A**: Proposed Legal Text

Attachment **B**: Report Phase Consultation Responses

All P292 documentation can be found on the P292 page of the ELEXON website.

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