

Stage 01: Initial Written Assessment

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

ELEXON recommends



- Progress directly to the Report Phase with a provisional view that it should be approved; and
- Progress as a Self-Governance Modification Proposal



High Impact:
Suppliers
Non-Half Hourly Meter Operator Agents

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

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About this document:

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 14 March 2013. The Panel will consider the recommendations and agree how to progress P292.

Further information is available in the P292 Modification Proposal (Attachment A) and draft BSC legal text (Attachment B).



Any questions?

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1 Why Change?



Background

The Department of Energy and Climate Change's (DECC) Smart Metering Implementation Programme (SMIP) has defined requirements in relation to smart metering¹ arrangements, which impact existing electricity and gas codes.

The SMIP has proposed an operating model for smart Meter Technical Details (MTDs). MTDs are sets of data relating to the Metering Equipment installed at each customer premises. These data sets are currently maintained by a Meter Operator Agent (MOA) and are distributed to the relevant Supplier, Data Collector (DC) and Licensed Distributor System Operator (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 Data Collector, impact the accuracy of Settlement.

Under the proposed 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 SMIP 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 also preferred to re-use existing flows, rather than creating new flows, in a bid to minimise change. However, when DECC passed the development of the solution to an industry workgroup they made it clear that they were 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

In order to develop the operating model in more detail, ELEXON and Gemserv set up a joint BSC – Master Registration Agreement (MRA) working group, which met seven times between 27 February 2012 and 12 February 2013 and issued a consultation on a high-level solution.

As the group began to develop the details of "option 2" the question of whether or not to use new, rather than existing, flows was raised. After discussion, the preference of the group was to use new data flows rather than existing ones. The group felt that the creation of new data flows was "cleaner" and would enable industry to more easily identify concerns in exception reporting and legacy issues.

A consultation was issued by the group on 1 October 2012 outlining the high level solution and providing a set of optional solution elements. The responses from the industry consultation included those from large, medium and small Suppliers; 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.

Attachment C, includes a matrix of the industry responses to the consultation. This matrix was provided to the group as an 'at a glance' view to aid it in its discussions, with the complete set of responses can be found [here](#).

What is the issue?

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

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

Whilst considering the consolation responses and industry opinion, the group considered a number of different options of how best to implement the necessary changes. Similar to the responses received, 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 which consisted of those features for which there was majority support; acknowledging that whilst not everyone agreed with all aspects of the solution, it was a sensible compromise and a pragmatic thing to do.

Delivering the solution and CP1388

When discussing the development of the solution the group believed that:

- The low-level requirements should be developed before the progression of any Modification (should one be necessary), so that the drafting of the Code requirements would be better informed; and
- Sufficient time should be allowed for participants to understand the new requirements, as the change would require significant system and process changes, and should aim for testing of the new flows and process changes to take place as part of the SMIP's End-to-End Testing, ahead of the smart metering mass-rollout in late 2014.

As such the group developed the detailed requirements contained within CP1388 'Meter Technical Details for Smart Metering' and a MRA DTC Change Proposal (CP3380) to implement the agreed way forward. It did not propose to raise different solutions through separate CPs.

We issued CP1388 for Participant Impact Assessment (IA) in January 2013 and received 13 responses of which eight agreed, four disagreed and one was neutral. Following the IA, the group met again on 12 February 2013 to review the key points arising from the responses. The group noted that the arguments raised in the consultation had been previously discussed and that, subject to some clarification changes, the solution in the CP was fit for purpose.

E.On UK (a member of the group) subsequently raised P292 to make the necessary amendments to the BSC to reflect the groups agreed solution and to implement the principles of SMIP's "option 2".

What is the issue?

In order to implement the principles of the group's conclusions, of Suppliers establishing and sending MTDs, the BSC needs to be amended to reflect the new obligations on MOAs and Suppliers. Without these changes the principles developed by SMIP cannot be implemented.

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

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Proposed Solution

The MOA responsibilities in respect of 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 draft legal text is contained in Attachment B.

Applicable BSC Objectives

The Proposer believes 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 to enable Suppliers and NHHMOAs to fulfil their future responsibilities under the Smart Energy Code, as is being defined under DECC's SMIP operating model.

Implementation approach

Implementation of P292 would require only minimal changes to the BSC. However, the detailed amendments to the CSDs will require significant changes and development of participants' systems and processes. The Proposer and ELEXON therefore consider that P292 should be implemented in parallel alongside the CP which delivers the detailed requirements as part of the June 2014 BSC Systems Release.

Other likely related changes

The BSC-MRA working group is also considering what, if any, other detailed changes are required to implement the SMIP operating model. This will likely result in further changes to Code Subsidiary Documents and may require further changes to the BSC.



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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Why directly to Report Phase?

The Panel has the ability to progress a Modification straight to the Report Phase where it considers it self-evident that the Modification Proposal better facilitates the Applicable BSC Objectives (BSC paragraph F2.2.4).

P292 delivers the solution principles developed, consulted upon and agreed by group and puts in place the necessary high-level Code requirements to allow further detail to be implemented. As such, we do not believe that there is a need to develop the Code requirements further through a Modification Workgroup.

We therefore recommend that the Panel determines that this Modification Proposal should proceed directly to the Report Phase.

Why Self-Governance?

A Modification Proposal can be progressed as Self-Governance if:

- The Panel believes that it satisfies the Self-Governance Criteria, and the Authority does not issue a contrary direction; and/or
- The Authority believes that it satisfies the Self-Governance Criteria and issues a notice to that effect.

We believe this Modification Proposal meets the Self-Governance Criteria set out in Annex X-1 of the BSC, and therefore recommend that the Panel progresses it as a Self-Governance Modification Proposal.

The Modification Proposal has no material impact on consumers, competition, the Transmission System or BSC governance.

If this Modification Proposal is not implemented the BSC would be at odds with DECC SMIP's operating model. In addition, there would be no 'hook' in the BSC for the detailed requirements to be approved.

Next steps

If the Panel agrees to send this Modification directly to the Report Phase, we will issue a Draft Modification Report for consultation and present the responses to the Panel at its meeting on 11 April 2013.



What are the Self-Governance Criteria?

(a) it is unlikely to have a material effect on:

(i) existing or future consumers;

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;

(iii) the operation of the national electricity transmission system;

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the BSC's governance procedures or modification procedures; and

(b) it is unlikely to discriminate between different classes of BSC parties.

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4 Likely Impacts

Impact on BSC Parties and Party Agents

Suppliers – change of responsibilities

Non-Half Hourly Meter Operator Agents – change of responsibilities and managing two parallel processes (smart and legacy NHH)

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 B.
Section S – Annex S-2	Changes will be required to implement the solution. The proposed changes can be found in Attachment B.
Section X – Annex X-1	Changes will be required to implement the solution. The proposed changes can be found in Attachment B.

Impact on Code Subsidiary Documents

None – Will be covered under CP1388

Impact on Core Industry Documents and other documents

None

5 CP1388 'Meter Technical Details for Smart Meters'

P292 makes reference to CP1388. CP1388 was the CP drafted by the group and, as noted in section 1 of the IWA, included those features for which there was majority support; acknowledging that whilst not everyone agreed with all aspects of the solution, it was a sensible compromise and a pragmatic approach.

The P292 solution would enable CP1388 to be implemented, therefore delivering the detailed requirements as drafted by the group.

In expectation of the progression of P292, CP1388 was presented to the Supplier Volume Allocation Group for endorsement, noting that they could not approve such a CP without the relevant 'hook' in the Code.

The SVG noted the intention of ELEXON to present CP1388 to the Panel at its meeting in April when it was intended that both P292 and CP1388 could be approved as a package of work, and also noted their recommendation would be used to help inform Panel debate on the CP. The SVG could not make a unanimous endorsement of CP1388 as not all of the SVG could agree with the detail of the solution.

It is still ELEXON's intention to present CP1388 to the Panel for approval at the April meeting, if P292 is approved. In the interim we believed it would be useful for the Panel to familiarise themselves with the detail of CP1388 and the debate of the SVG. As such Attachment C of this report contains the SVG discussion and other information which would be useful for the Panel to familiarise themselves with prior to the April meeting.

For the avoidance of doubt the approval of P292 would not automatically mean the approval of CP1388. P292 allows further detailed requirements to be implemented in the CSDs. CP1388 provides such detailed requirements as agreed by the SMIP group.

6 Recommendations



On the basis of the initial written assessment, ELEXON invites the Panel to:

- **DETERMINE** that Modification Proposal P292 should be submitted directly to the Report Phase;
- **AGREE** a provisional recommendation that Proposed Modification P292 should be made;
- **AGREE** a provisional Implementation Date for Proposed Modification P292 of 26 June 2014;
- **AGREE** the draft legal text for Proposed Modification P292;
- **AGREE** that the P292 draft Modification Report should be issued for consultation and submitted to the Panel at its meeting on 11 April 2013;
- **AGREE** a provisional view that the Modification Proposal meets the Self-Governance Criteria; and
- **NOTE** CP1388 will be presented to the Panel at its April meeting.

Report phase

We recommend that the Panel sends Modification Proposal P292 straight to the Report Phase with a view that it should be approved, and progresses it as a Self-Governance Modification Proposal.

7 Further Information

You can find more information in:

Attachment **A**: Modification Proposal Form

Attachment **B**: Proposed Legal Text

Attachment **C**: Information on CP1388

You can also find further information on the [P292](#) page of the ELEXON website.

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