

Stage 04: Report Phase Consultation Responses

P299 'Allow National Grid access to Metering System Metered Consumption data to support DSBR service'

This Report Phase Consultation was issued on 10 April 2014, with responses invited by 28 April 2014.

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
SmartestEnergy	1/0	Supplier
TMA Data Management Ltd	0/1	Party Agent
National Grid Electricity Transmission plc	1/0	Transmission Company
RWE Npower	10/0	Supplier, Generator, Trader, Consolidator, Exemptible Generator, Party Agent
IMServ Europe Ltd	0/1	Party Agent
IBM UK Ltd for and on behalf of the ScottishPower Group	7/0	Supplier, Generator, Trader, Consolidator, Exemptible Generator, Distributor
E.ON UK	5/7	Supplier, Party Agent

Question 1: Do you agree with the Panel's initial unanimous recommendation that P299 should be approved?

Summary

Yes	No	Neutral/No Comment	Other
4	3	0	0

Responses

Respondent	Response	Rationale
SmartestEnergy	No	The Demand Side Balancing Reserve scheme is not, strictly speaking, BSC business. It is wrong to impose costs on Suppliers for the provision of data under the BSC. We note the following: "The Workgroup discussed how there were other approaches that the Transmission Company could adopt to obtain the necessary data required. Such approaches would not require a Modification as they would involve the Transmission Company paying HHDCs or Suppliers directly to provide the required information."
TMA Data Management Ltd	Yes	P299 is the only solution that would ensure that the Transmission Company can implement the DSBR service.
National Grid Electricity Transmission plc	Yes	As proposer, we naturally agree that P299 should be approved and agree with the Panel that the benefits against BSC Objective (b) far outweigh any potential negatives against BSC Objectives (c) and (d).
RWE Npower	No	Npower strongly reject this modification as we do not believe there are benefits to be obtained and the timescales of 10 days is simply not enough time to turn things around.
IMServ Europe Ltd	No	Whilst we recognise that National Grid's requirements, as described in this Modification, are essential to support the new Demand Side Balancing Reserve Service we strongly disagree with the proposed solution.

Respondent	Response	Rationale
IBM UK Ltd for and on behalf of the ScottishPower Group	Yes	<p>Objective b) This Modification will allow National Grid to implement their DSBR service in a timely and effective way.</p> <p>Objective c) This Modification will have a detrimental effect on competition. Under the current proposal, National Grid will not pay for the additional HHDC costs incurred as a result of supporting the DSBR service. These costs will therefore be passed onto HH Suppliers (and in turn consumers). NHH-only Suppliers will not be faced with this additional cost. By National Grid's own admission, there is an expectation that this service will only be used as a last resort - the number of customers called will be small (or non-existent). Only a very small number of Suppliers will therefore potentially see any benefits through a longer position at Gate Closure, compared to the majority who will have paid HHDCs to provide data to National Grid during the tender phase. Even those Suppliers whose customers are called may not realise any benefits, as while SSP may be high due to market conditions, it may not be as high as the original purchase price paid by the Supplier, leading to that Supplier making a loss. We do not believe that there are any competition benefits under Objective c) around balancing supply and demand, and that those issues are better covered under Objective b). Suppliers will have no opportunity to trade out a long position as they are not notified prior to the event (and Gate Closure) that one of their customers will be reducing demand.</p> <p>Objective d) There is a small detriment to Objective d), as always occurs when changes are made to the BSC arrangements that don't derive any efficiency benefits in the way ELEXON administer those arrangements.</p> <p>Overall we believe that the simplified solution will reduce HHDC (and therefore Supplier) costs, and that the benefits of Objective b) outweigh the detriments under Objectives c) and d).</p>

Respondent	Response	Rationale
E.ON UK	Yes	<p>We believe that providing the provision of data in the format of the existing D0036, data for all days and all settlement periods can be submitted for historic data and whole days can be submitted for post DSBR event data then P299 is a pragmatic solution. We agree that P299 would better facilitate BSC objective (b) and while we agree that there may be a slight benefit for suppliers who find themselves longer at gate closure, the same suppliers will be incurring the costs of providing data to the Transmission Company, therefore while we believe that there may be a detrimental impact against BSC Objective (c) it is minimal. Also, given that the resulting benefit is a product of the DSBR service which has already received Authority approval and not the implementation of P299 we do not believe it to be a reason for rejecting the solution.</p> <p>We believe that tasking numerous HH DC's to carry out adhoc reports is not the most efficient means of providing the required data and in that respect we do not believe that P299 meets BSC objective (d), however, given the short term nature of the service and the tight timescales to deliver it is likely to be the only feasible solution.</p> <p>We are concerned that there is still a lack of detail in a number of areas which we have covered in Question 4.</p>

Question 2: Do you agree with the Panel that the redlined changes to the BSC and BSCP502 deliver the intention of P299?

Summary

Yes	No	Neutral/No Comment	Other
4	1	1	1

Responses

Respondent	Response	Rationale
SmartestEnergy	No Comment	n/a
TMA Data Management Ltd	Yes	We are satisfied that the proposed changes we submitted in the previous stages of consultation of P299 have been incorporated in the redlined changes to BSCP502.
National Grid Electricity Transmission plc	Yes	We are satisfied that the redlined changes deliver the intention of P299 and that they represent the most appropriate and efficient approach.
RWE Npower	Unsure	The redlined changes appear to deliver the intent of P299 solution but Npower are not completely persuaded that P299 is the best solution to deliver meter data in support of DSBR.
IMServ Europe Ltd	No	<p>It should not be assumed that because an existing document offers a convenient location to capture a requirement, that it is appropriate for the proposed use and nor should political timescales influence this decision. Technical reasons to support our objections to the use of BSCP502 are listed below. Furthermore, the use of BSCP502 to capture these requirements removes any choice on the part of the agent, or the Supplier, as to whether they wish to participate in this service and essentially deem a commercial position, i.e. suppliers are responsible for the funding of any agent development and ongoing service costs. The implementation of a bespoke BSCP to capture this (and any future non SVA requirement) would have a) supported choice in participation, b) enabled all costs to be directed to National Grid as the sole interested party and c) prevented any implications on the PAF, therefore better achieving BSC Objectives b and c.</p> <p>Technical reasons why BSCP502 should not be used to capture these new requirements:</p> <p>The Purpose of BSCP502 is defined as:</p> <p>This BSC Procedure defines the processes that the</p>

Respondent	Response	Rationale
		<p>Half Hourly Data Collector (HHDC) shall use to carry out the work for data collection (including data retrieval, estimation and data processing) for SVA Metering Systems with half hourly (HH) Metering Equipment (referred to in the rest of this document as "HH SVA Metering Systems") operating within the Supplier Volume Allocation (SVA) arrangements.</p> <p>Supplier Volume Allocation is defined as:</p> <p>the determination of quantities of Active Energy to be taken into account for the purposes of Settlement in respect of Supplier BM Units;</p> <p>Settlement is defined as:</p> <p>the determination and settlement of amounts payable in respect of Trading Charges (including Reconciliation Charges) in accordance with the Code (including where the context admits Volume Allocation);</p> <p>Data Collectors are defined as:</p> <p>2.3.1 The principal functions of a Half Hourly Data Collector are, in accordance with the provisions of this Section S and the Supplier Volume Allocation Rules, with BSCP502 and BSCP520 and with Party Service Line 100.</p> <p>Section S is defined as:</p> <p>(a) the rights and obligations of Suppliers, and the activities and functions for which Suppliers (and their Party Agents) are responsible, in relation to Supplier Volume Allocation;</p> <p>Therefore, it would seem that this new activity sits outside BSCP502, as BSCP502 is solely concerned with Supplier Volume Allocation which this new activity plays no part in.</p> <p>Consideration also needs to be given (and agreement reached) regarding the implications of locating these arrangements within BSCP502. This would indicate that Suppliers are responsible for the compliance of their agents under the Supplier Hub principle and this new service therefore falls under the scope of the PAF. It is not evident from the work to date whether these points have been accepted by Suppliers and those responsible for the PAF and whether compliance can actually be assured.</p>

Respondent	Response	Rationale
IBM UK Ltd for and on behalf of the ScottishPower Group	Yes	None provided.
E.ON UK	Yes	Again given the short term nature of the service, BSCP502 is the most appropriate place to outline the process.

Question 3: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
4	2	1	0

Responses

Respondent	Response	Rationale
SmartestEnergy	No comment	n/a
TMA Data Management Ltd	Yes	n/a
National Grid Electricity Transmission plc	Yes	We are very keen to be able to commence with the DSBR tender as soon as possible following Authority approval (if given) and so support the earliest Implementation Date possible to give certainty to tendering parties. There will be time during the tender period to further develop and test the P299 solution with HHDCs if required and we are more than happy to engage early on this.
RWE Npower	No	Npower appreciate that the timescales Transmission Company are working towards with regards to implementing this service; Npower believes trying to meet the timescales has already been impacted with this consultation process. Npower also believe that the timescales are far too short as changes will be needed to produce D0036 flows for specific dates on request rather than when necessary as part of normal HHDC operation.

Respondent	Response	Rationale
IMServ Europe Ltd	No	<p>There are two distinct areas of work which need to be considered and time required for each differs significantly.</p> <p>1) Technical development and implementation of proposed solution:</p> <p>4 – 8 weeks which is entirely dependent on completion of point 2 below.</p> <p>2) Agreement of supporting commercial arrangements:</p> <p>If suppliers are to be charged for this service, contractual arrangements will need to be agreed with all HH Suppliers in the Market before any work commences. A DC cannot at this point in time know which Suppliers will be affected therefore the commercial modelling and agreement of costs will be complicated and difficult. As Suppliers should lead on this and we are not able to fully control the timescales for this activity (and recognising that suppliers will likely be dealing with other such requests from all other DCs) the time required will exceed the proposed implementation date and a successful outcome cannot be guaranteed in all instances</p>
IBM UK Ltd for and on behalf of the ScottishPower Group	Yes	None provided.
E.ON UK	Yes	<p>Although the report is adhoc, we have no view of the format of the data request or the volume of data required. We may have a maximum of 15 working days to develop, test and run the report if the request is submitted 10 days after the Authority's decision. This is tight if we do not have a clear view of the details discussed in Question 4. If these are clearly defined in a timely manner then the timescales are achievable but tight.</p>

Question 4: Do you have any further comments on P299?

Summary

Yes	No	Neutral/No Comment	Other
5	2	0	0

Responses

Respondent	Response	Rationale
SmartestEnergy	Yes	Leaving aside the fact that we disagree with the assumption that suppliers should pay for the provision of the data, P299 has been a model of how not to conduct BSC business; it would appear that the working group changed their minds over whether this modification met the BSC objectives. However, both the working group and the Panel have failed to take account of the fact that the views of the suppliers were driven by a lack of clarity over how these charges would be passed on and exactly how much data was required. The working group avoided the issue by just reversing their recommendation and the Panel avoided the issue by just ploughing on regardless. If the Panel are so keen on a "supplier pays" solution they should have sent this modification back to the working group to provide more detail on the solution.
TMA Data Management Ltd	No	n/a
National Grid Electricity Transmission plc	Yes	We would like to reiterate the importance of this data to the Transmission Company and to stress that the success or failure of the DSBR service could potentially come down to our ability to access the relevant data both at the tender stage for validation and after any utilisation.

Respondent	Response	Rationale
RWE Npower	Yes	<p>Npower would like to raise a few points for consideration:</p> <p>Would it be possible for the Transmission Company to notify all HHDCs when a DSBR event occurs in a more direct manner rather than through the BMRS which HHDC has no day to day operational reason to view, this would give the HHDC prior notice that they may have to invoke a manual process for DSBR in 13 days' time and enables better planning?</p> <p>Npower see no benefit to this change from an agent point of view and would question where the associated costs would be covered. It may be that HHDCs choose to add a surcharge where a customer is subject to DSBR or they may choose to charge this to Supplier when agreeing future contracts. The 10 days from approval implementation requirement is simply not justified on agents.</p> <p>Npower believe the costs of providing the service should be borne by the party requesting the service otherwise this could cause issues for customers.</p> <p>Also will the Transmission Company request information from the HHDC in place at D+13 from the DSBR event or the HHDC that was in place on the DSBR event as the 2 may not be the same? Will there be an option for the HHDC to reject the request due to issues such as that above. Will the transmission company acknowledge acceptance or rejection of a file in a similar manner to the PARMS database?</p>
IMServ Europe Ltd	Yes	<p>We recognise that National Grid's requirements, as described in this Modification, are essential to support the new Demand Side Balancing Reserve Service: non-compliance by an agent will jeopardise this service and ultimately disadvantage end user participants.</p> <p>Whilst BSC changes do not normally consider commercial implications, in this instance it is necessary. Agreement and acceptance of the funding arrangements are critical to it's success however the timescales and proposed method do not support choice, discussion and mutual agreement between all financially affected parties. The proposal has deemed that suppliers, rather than National Grid, are responsible for costs although Grid is the only beneficiary in the process. The solution does not recognise the difficulties of</p>

Respondent	Response	Rationale
		<p>establishing this arrangement or any objections to this decision. It is evident from the discussions to-date that parties who are aware of the issue already disagree on the funding – there are many parties (particularly smaller suppliers) who as yet are unaware of the requirement and will likely react in a similar manner. It is therefore improbable that compliance with the requirement can be assured and it would appear that as yet, no consideration has been given as how this could be measured or progressed.</p> <p>This is the second new non SVA activity being progressed in such a way (using existing BSCPs), with the possibility of more to follow. In light of this, the opportunity should have been taken to stop and consider other options and to implement an enduring, fair and flexible solution, i.e. a bespoke BSCP to capture any such future requirement as opposed to a solution based on convenience and external timescales.</p> <p>To summarise, a solution based on commercial agreements between National Grid and HHDCs supported by a bespoke BSCP is a less complicated, cleaner and more equitable solution which would be quicker to implement and both simpler and less costly to support ongoing.</p>
IBM UK Ltd for and on behalf of the ScottishPower Group	No	None provided.
E.ON UK	Yes	<p>We believe that there is still significant detail missing from the proposals. The format of the data request is not set out and this is important in assessing the level of effort required in implementing the solution. We also believe that the emails used to communicate data requests and the corresponding data should, as a minimum, be password protected and that these passwords should be called through to the relevant person to ensure data security.</p> <p>It is not clear what audit trail of data should be kept and for how long, we assume there will be a requirement to retain a record of data transactions?</p> <p>If DSBR is to exist longer than the planned 2015/16 winter, then the P299 solution should be reviewed.</p>