

Assessment Procedure Consultation Responses

P366 'Change to Supplier Charge SP08a calculations to account for small scale non-domestic Non Half Hourly hard-to-read Meters'

This Assessment Procedure Consultation was issued on 25 March 2019, with responses invited by 15 April 2019.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
British Gas	One	Supplier
Haven Power Ltd	One	Supplier
ENGIE Power Ltd	One	Supplier
Solarplicity	One	Supplier
SMS Energy Services Ltd	One	Supplier Agent
IMServ Europe Ltd	One	Supplier Agent
ICoSS (The I&C Shippers and Suppliers)	n/a	Trade body
SSE	One	Supplier
Stark	One	Supplier Agent
TMA Data Management Ltd	One	Supplier Agent
Corona Energy	One	Supplier
Gazprom Marketing & Trading Retail Ltd	One	Supplier
Npower group Ltd	Six	Supplier and Supplier Agent
Opus Energy Ltd	One	Supplier
Ørsted	Fourteen	Generator, Supplier, Interconnector User, Non Physical Trader, ECVNA and MVRNA

P366
Assessment Consultation
Responses

16 April 2019

Version 1.0

Page 1 of 36

© ELEXON Limited 2019

Question 1: Do you agree with the Workgroup's initial majority view that the P366 Proposed Solution does not better facilitate the Applicable BSC Objectives than the current baseline and so should be rejected?

Summary

Yes	No	Neutral/No Comment	Other
10	5	0	0

Responses

Respondent	Response	Rationale
British Gas	Yes	We believe that the existing arrangements meet the applicable BSC Objectives – most notably (d) "Promoting efficiency in the implementation of the balancing and settlement arrangement". The rationale to support this is that the current supplier charge methodology provides an additional incentive to suppliers to gain an actual read whilst also being considered a remedial technique.
Haven Power Ltd	Yes	We support the challenges raised surrounding HTR sites but feel the proposed/alternative solutions should also include a review of the 97% settlement target. If a site is being excluded from SP08a charges there should be a mechanism to also remove the associated volume from settlement, to ensure alignment of data.
ENGIE Power Ltd	Yes	In our opinion, the system development and associated costs required by both NHH DAs and the SVAA are not worth the perceived benefits of the modification. Any perceived benefits to competition are countered by the complexity of the solution which smaller suppliers may find difficult to implement and is likely to increase costs.
Solarplicity	Yes	The costs of this modification and the timescale for implementation outweighs the benefits.
SMS Energy Services Ltd	No	We believe that by rejecting P366 a barrier will remain for entry for small suppliers gaining portfolios with larger numbers of HTR meters in remote locations
IMServ Europe Ltd	Yes	We fundamentally do not agree with the view that some sites are HTR compared to others. Every Supplier could win them and every Supplier should plan for how to achieve meter reads on these sites

Respondent	Response	Rationale
		as part of the tender process. This proposal is a sledgehammer to crack a nut – does not meet BSC objective D – makes the process much less efficient.
ICoSS	No	ICoSS is supportive of the intent of the proposal when viewed on its own merits, with respect to Relevant Objective (d), in that it removes an inequitable cost that large suppliers can easily avoid, as by having millions of meter points they can effectively ignore 10,000 of hard to read meters, but much smaller suppliers cannot as they must read all but a few dozen meters to avoid these costs. This modification will therefore remove a cross subsidy between small and large suppliers.
SSE	Yes	No rationale provided
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	There was no evidence provided on the number of sites affected which makes it impossible to ascertain whether the benefits outweigh the costs involved for implementation and on-going operation.
Corona Energy	Yes	Corona Energy in general is supportive of the intent of the proposal, with respect to Relevant Objective (d) we disagree that the impact to Promoting efficiency in the implementation of the BSC will be beneficial. We anticipate that the solution to allow suppliers to nominate hard to read sites will be laborious and will bring little benefit in contrast to the effort involved.
Gazprom Marketing & Trading Retail Ltd	No	We do not agree with the Workgroup's initial majority view. Suppliers that have a large portfolio of meter points (in the hundreds of thousands and millions) are able to effectively ignore their hard to read meters as it will not adversely affect their settlement targets. However suppliers with a much smaller number of meter points cannot do this, thereby subsidising the larger suppliers. As such we believe this change better facilitates BSC Objective (d).
Npower group Ltd	Yes	We do not believe that Supplier charges currently have a detrimental impact on competition and therefore any changes would not lead to an impact to Applicable BSC Objective C.
Opus Energy Ltd	No	We agree with some of the challenges raised surrounding HTR sites and that excluding HTR sites from SP08a charges would be appropriate.

Respondent	Response	Rationale
Ørsted	no	<p>We disagree with the Workgroup's majority view. We believe the current application of SP08a supplier charges to HTR meters is a barrier to competition and unfairly disadvantages small suppliers who want to compete in the Industrial & Commercial (I&C) market.</p> <p>The SP08a NHH performance charges is applied based on % of energy volume settled on estimated reading (i.e EAC). This requirement is unjustified given the % measurement is subjective to suppliers' total energy volume base, such that the larger the NHH customer base, the more HTR meters suppliers can afford take on without affecting settlement performance and charges. This arrangement discriminates against small suppliers and increase costs and operational burden for them to compete against larger suppliers in certain market segments.</p> <p>HTR meters are practically unread (due to a number of reasons described in the consultation document) disregarding who the supplier is. The SP08a charges applied to HTR sites cause competitive disadvantages to small suppliers in two ways:</p> <ol style="list-style-type: none"> 1. The charge is unavoidable to small suppliers, due to small NHH volume base. This will increase cost of supply to such customers compared to large suppliers. 2. The charges paid by small suppliers will be redistributed back to all NHH suppliers based on market share. In practice, small suppliers will be cross-subsiding large suppliers for supplying customers with HTR sites. This is detrimental to competition. <p>The Proposed Solution should be progressed as it will promote fair competition and will be beneficial to BSC objective (c).</p>

Question 2: Do you agree with the Workgroup's initial majority view that the P366 Alternate Solution does not better facilitate the Applicable BSC Objectives than the current baseline and so should be rejected?

Summary

Yes	No	Neutral/No Comment	Other
8	7	0	0

Responses

Respondent	Response	Rationale
British Gas	Yes	See response to Question 1
Haven Power Ltd	Yes	As per Question 1
ENGIE Power Ltd	No	<p>In our opinion removing charges for SP08a in their entirety would better facilitate BSC Objective C. We agree with the proposer that this would level the playing field allowing smaller suppliers to bid for group business made up of hard to read sites without having to add additional charges into contracts to cover supplier charges.</p> <p>This will have a particular effect on small to B2B suppliers who aren't able to use a large portfolio of 'easier to read sites' to buffer against the effect of group difficult to read customers.</p>
Solarplicity	No	PARMS Serial SP08a charges are inequitable and benefit larger domestic suppliers. Their removal will benefit competition.
SMS Energy Services Ltd	Yes	We agree that there needs to be a financial penalty for poor performance.
IMServ Europe Ltd	Yes	There would appear to be merit in penalising Suppliers who do not achieve 97%+ at RF and removing the SP08 Supplier Charges would appear to send out the wrong message
ICoSS	No	The alternate solution removes an inequitable cost that large suppliers can easily avoid as by having millions of meter points they can effectively ignore 10,000 of meters, but much smaller suppliers cannot as they must read all but a few dozen meters to avoid these costs. The EFR process is an effective process that ensures that suppliers hit the 97% target; the PARMS Serial SP08a charge does not. Removing it will eliminate a cross-subsidy

Respondent	Response	Rationale
		between large and small parties without risking market performance.
SSE	Yes	No rationale provided
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	No	Corona Energy is are of the position that removal of the Supplier Charges for PARMS Serial SP08a would remove an unnecessary process and therefore reduce an administrative burden set out within the BSC, as well as remove an unfair competitive disadvantage against smaller suppliers.
Gazprom Marketing & Trading Retail Ltd	No	Removing the PARMS Serial SP08a charge will eliminate the current cross subsidy between suppliers with a large portfolio of meters and those with a smaller portfolio. The alternative solution removes this inequitable cost, thus better facilitating BSC Objective (d).
Npower group ltd	Yes	We do not believe that Supplier charges currently have a detrimental impact on competition and therefore any changes would not lead to an impact to Applicable BSC Objective C.
Opus Energy Ltd	No	Please see answer to Question 1
Ørsted	No	<p>The Alternative solution is less targeted to certain customer sites, but it does remove the pricing disadvantages suffered by small suppliers. It will be beneficial to BSC Objective (c).</p> <p>We support the Alternative solution on the basis that we view the SP08a charge is unjustified and should be thoroughly reviewed by the industry. In the meanwhile, it will be beneficial to competition to set it to £0 before any solid justification is presented.</p>

Question 3: Do you agree with the Workgroup's initial majority view that the P366 Alternative Modification better facilitates the Applicable BSC Objectives than the P366 Proposed Modification?

Summary

Yes	No	Neutral/No Comment	Other
13	2	0	0

Responses

Respondent	Response	Rationale
British Gas	Yes	<p>We note that the P366 Alternative Modification better facilitates the Applicable BSC Objectives when compared to the Proposed Modification.</p> <p>To qualify the above, our current view is not to support the Alternative's progress until further analysis has been conducted by the working group.</p>
Haven Power Ltd	Yes	We feel that the alternative modification better facilitates the objectives but do not support the modification proposal as it does not incorporate all associated elements. If a supply is considered HTR, consideration should be given, that the associated volume should also be excluded from the 97% RF calculation.
ENGIE Power Ltd	Yes	No rationale provided
Solarplicity	Yes	No rationale provided
SMS Energy Services Ltd	No	We agree that there needs to be a financial penalty for poor performance.
IMServ Europe Ltd	Yes	The Alternate does not fail objective D in that it is a much more efficient way to achieve overall the result that the modification is aimed at
ICoSS	Yes	<p>Removal of the Supplier Charges for PARMS Serial SP08a is a better option than that which is originally proposed. The simplicity of the solution removes the current cross-subsidy without risking any reduction in settlement accuracy and does not result in significant additional costs.</p> <p>We support the original proposal, but we do recognise that the costs identified are significant and so that detracts from the solution.</p>
SSE	Yes	Unlike the proposed modification, the alternative leaves the threat of EFR

Respondent	Response	Rationale
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	Removal of the Supplier Charges for PARMS Serial SP08a is a better option than that which is originally proposed. The simplicity of the solution resolves the issue that is identified as causing the problem to the industry and prevents the inclusion of an additional process that would be overly laborious for some suppliers with only a limited benefit.
Gazprom Marketing & Trading Retail Ltd	Yes	We believe that removing the supplier charges for PARMS Serial SP08a is a better way to facilitate the BSC Objectives than that in the originally proposed modification. We do support the original proposal but the costs associated are greater and the simplicity of the alternative solution makes it the better option. The alternative solution does not lead to a reduction in settlement accuracy and also does not result in higher costs to parties.
Npower group ltd	Yes	The P366 Proposed Solution has the possibility of having a detrimental impact on Applicable BSC Objective D which the P366 Alternative Modification does not.
Opus Energy Ltd	Yes	No rationale provided
Ørsted	No	We believe a targeted approach will more accurately tackle the competition issue in specific market segment. Further, establishing the concept of HTR sites would help future settlement performance reviews after the implementation of mandatory HH settlement.

Question 4: Do you agree with the Proposer that the current SP08a charges applied to HTR sites cause competition concerns?

Summary

Yes	No	Neutral/No Comment	Other
8	7	0	0

Responses

Respondent	Response	Rationale
British Gas	No	The requirements to obtain an actual read is applicable to all suppliers, irrespective of the size of their portfolios. The current methodology to apply a cap on the overall charges based on market share helps to address any potential competition concerns.
Haven Power Ltd	No	Suppliers would price a customer based on their own pricing model to incorporate all service cost ie staffing, building rent, cost of power. We feel the supplier charges associated with HTR site will be minimal by comparison
ENGIE Power Ltd	Yes	As per answer to question 2.
Solarplicity	Yes	PARMS Serial SP08a Supplier Charges distort the market as larger suppliers are more able to meet the target as they have more customers they can choose from compared to smaller suppliers.
SMS Energy Services Ltd	Yes	We agree
IMServ Europe Ltd	No	Same issues for all potential Suppliers of these sites
ICoSS	Yes	Yes. The costs of obtaining the meter reading is higher than the SP008a charge and so suppliers will not seek to read Hard to Read sites irrespective – instead the issue is whether they incur a cost in not doing so. The industry accepts that 3% of meters will be unread for longer than 14 months and potentially years (there is no absolute requirement to read a meter after 14 months), with no cost to the supplier. As the 3% “headroom” is based on the total number of meter points, domestic and non-domestic, this means that for some suppliers (say former PES monopolies), they can avoid read 10,000s of meter points every year. This means for a portfolio customer which has a large number of hard-to-read meters they can avoid having to read all or most of their meters, particularly where it may

Respondent	Response	Rationale
		cost more than normal to do so. By contrast smaller non-domestic suppliers will not be able to as they do not have a large number of domestic customers creating such a large cushion. This means that they will be required to pay SP08a charges, but their competitors will not, so distorting competition as the cost to serve is different.
SSE	No	All Suppliers will have a percentage of their portfolio which are 'Hard to Read' irrespective of the size of that Suppliers portfolio.
Stark	No	No rationale provided
TMA Data Management Ltd	No	No rationale provided
Corona Energy	Yes	Corona Energy as a non-domestic suppliers has a business model that leave it more exposed to the risk of having hard to read sites in their supply portfolio. This leaves them disproportionately more exposed to the PARMS Serial SP08a Supplier Charges.
Gazprom Marketing & Trading Retail Ltd	Yes	As stated before there is currently a cross-subsidy between suppliers with a large portfolio of meter points and those with a small portfolio. By having a significant number of domestic customer larger suppliers can avoid hard to read sites with affecting their settlement targets. Smaller suppliers cannot do this and will therefore be subject to the PARMS Serial SP08a charges, increasing the cost to serve and therefore distorting competition.
Npower group ltd	No	As a Supplier with a non-domestic portfolio, we recognise that 'Hard to Read' Metering Systems are a source of issues that impact on settlement performance. However, we do not agree with the assertion that SP08a Supplier Charges are disproportionately impacting smaller Suppliers and therefore causing competition concerns.
Opus Energy Ltd	Yes	<p>Although SP08a charges associated with HTR sites should form only a small part of a Supplier's overall charges, the presence of HTR sites do make it difficult for Suppliers to meet the minimum level of Settlement Performance (97%).</p> <p>We do agree with the proposer that Small Suppliers will find it increasingly difficult to compete in the non-domestic I&C market, compared with larger Suppliers, for which HTR sites and their associated</p>

Respondent	Response	Rationale
		<p>SP08a charges will be lost within their 3% allowed for estimated energy.</p> <p>If some Suppliers chose not to target certain HTR sites due to associated SP08a charges, this could result in less competitive contracts being made available to customers.</p>
Ørsted	Yes	<p>Yes, as explained in Q1.</p> <p>We are also concerned that competition in the I&C market is unsustainable if small suppliers are not able to compete fairly on pricing when they must take into account of SP08a charges. Aggressive pricing strategy from the big players can easily push small suppliers out of this market due to small margins suppliers make in this market. This will reduce business consumer choices in public and infrastructure sectors and increase costs for all end consumers.</p>

Question 5: Do you agree with the proposed criteria for determining if a Metering System is HTR?

Summary

Yes	No	Neutral/No Comment	Other
12	2	1	

Responses

Respondent	Response	Rationale
British Gas	Neutral	The proposed criteria outlines a framework for Suppliers to apply a Hard To Read indicator should they wish to do so.
Haven Power Ltd	Yes	Haven Power feels the list is not exhaustive, consideration should be taken for unsafe meter location for example special breathing apparatus required for chemical waste site, etc.
ENGIE Power Ltd	Yes	Yes, although we note that parts of the criteria could be open to interpretation.
Solarplicity	Yes	Yes, but we do not believe that change is beneficial to the market.
SMS Energy Services Ltd	Yes	We agree
IMServ Europe Ltd	Yes	If we did need to progress with this then we understand and agree with the logic for identifying these sites
ICoSS	Yes	We agree that this is an accurate enough set of criteria to identify hard to read sites.
SSE	no	It removes the responsibility of the Supplier to explore all avenues, before determining it to be 'Hard to Read'
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	We agree that this is an accurate enough set of criteria to identify hard to read sites. However, we are only supportive of the implementation of the alternative proposal so these criteria are not required for implementation of our preferred solution.

Respondent	Response	Rationale
Gazprom Marketing & Trading Retail Ltd	Yes	We agree with the proposed criteria for determining if a Metering System is HTR as it is an accurate set of criteria to identify HTR sites.
Npower group ltd	No	We do not agree with the inclusion of 'Remote Location' in the proposed criteria list that all have to be met in order for a Metering System to be a valid HTR Metering System.
Opus Energy Ltd	Yes	Although the list is not exhaustive; for example, consideration should, for example, be taken for unsafe meter location.
Ørsted	Yes	Yes, they are reasonable criteria.

Question 6: Should any criteria be added or removed?

Summary

Yes	No	Neutral/No Comment	Other
3	11	1	

Responses

Respondent	Response	Rationale
British Gas	Neutral	No rationale provided
Haven Power Ltd	Yes	As per question 5
ENGIE Power Ltd	No	No rationale provided
Solarplicity	No	The current list is adequate.
SMS Energy Services Ltd	No	No rationale provided
IMServ Europe Ltd	No	No rationale provided
ICoSS	No	We consider the list of criteria to be sufficient.
SSE	No	No rationale provided
Stark	No	No rationale provided
TMA Data Management Ltd	No	No rationale provided
Corona Energy	No	We consider the list of criteria to be sufficient.
Gazprom Marketing & Trading Retail Ltd	No	We believe the current list of criteria is sufficient.
Npower group ltd	Yes	'Remote Location' should not be included as one of the conditions on the criteria list. The combination of both a) issues with access, and b) issues with communications should be sufficient without needing to consider the geographical location of the site. The location does not automatically make the site Hard to Read
Opus Energy Ltd	Yes	Please see answer to question 5
Ørsted	No	No rationale provided

Question 7: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of the P366 Proposed Modification?

Summary

Yes	No	Neutral/No Comment	Other
9	0	6	0

Responses

Respondent	Response	Rationale
British Gas	Yes	No rationale provided
Haven Power Ltd	Neutral	No Comment
ENGIE Power Ltd	Yes	The legal text covers the intent of the modification. However, it should be noted that the definition of what a hard to read site is could be open to interpretation. Especially when fulfilling the 'remote' criteria.
Solarplicity	N/A	We have not reviewed the legal text.
SMS Energy Services Ltd	Yes	No rationale provided
IMServ Europe Ltd	Yes	No rationale provided
ICoSS	N/A	We have not reviewed the legal text.
SSE	Yes	No rationale provided
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	N/A	We have no comment to make regarding this proposed legal text as we do not support the proposed solution.
Gazprom Marketing & Trading Retail Ltd	N/A	No rationale provided
Npower group ltd	Yes	Based on the answer to question 6 above, we believe 'Remote Location' should be removed from the legal text
Opus Energy Ltd	N/A	No rationale provided
Ørsted	Yes	No rationale provided

Question 8: Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of the P366 Alternate Modification?

Summary

Yes	No	Neutral/No Comment	Other
11	0	4	0

Responses

Respondent	Response	Rationale
British Gas	Yes	No rationale provided
Haven Power Ltd	Neutral	No comment
ENGIE Power Ltd	Yes	No rationale provided
Solarplicity	N/A	We have not reviewed the legal text.
SMS Energy Services Ltd	Yes	No response provided
IMServ Europe Ltd	Yes	No rationale provided
ICoSS	Yes	We agree that the removal of the section of code referring to SP08a charges fully supports the solution presented by the alternate proposal.
SSE	Yes	No rationale provided
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	N/A	We have not reviewed the legal text in detail.
Gazprom Marketing & Trading Retail Ltd	Yes	The removal of the PARMS Serial SP08a supplier charges from the BSC will deliver the solution proposed in the alternate modification.
Npower group Ltd	Yes	No rationale provided
Opus Energy Ltd	N/A	No rationale provided
Ørsted	Yes	No response provided

Question 9: Do you agree that P366 does not meet the Self-Governance Criteria and so should not be progressed as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
15	0	0	0

Responses

Respondent	Response	Rationale
British Gas	Yes	No rationale provided
Haven Power Ltd	Yes	If this process was self-Governed it could lead to inconsistencies within the Industry., ie customers highlighted as HTR by one supplier might not be considered as HTR by another supplier.
ENGIE Power Ltd	Yes	No rationale provided
Solarplicity	Yes	This change will have a significant impact on the costs of smaller suppliers.
SMS Energy Services Ltd	Yes	No rationale provided
IMServ Europe Ltd	Yes	There is a definite link in to self governance criteria a)i) and a)ii) and as such this modification does not meet the self governance criteria
ICoSS	Yes	We agree with the Working Group that this proposal if implemented will have a material effect on consumers and competition and a self-governance decision should therefore be ruled out.
SSE	Yes	No rationale provided
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	We agree with the Working Group that this proposal if implemented will have a material effect on consumers and competition and a self-governance decision should therefore be ruled out.
Gazprom Marketing & Trading Retail Ltd	Yes	There is a material impact on consumers and competition if implemented and therefore should not be considered as self-governance.
Npower group Ltd	Yes	No rationale provided

Respondent	Response	Rationale
Opus Energy Ltd	Yes	This is a material change and so should not be subject to Self-Governance Criteria.
Ørsted	Yes	No response provided

Question 10: Will the implementation of the P366 Proposed Modification impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
12	2	1	0

Responses

Respondent	Response	Rationale
British Gas	Neutral	No response provided
Haven Power Ltd	Yes	The implementation of P366 could provide a positive impact with a reduction in supplier charges for HTR sites, reducing service costs. The associated impact of this change could also see an increase in operational costs to manage and maintain the process, which could out way the benefits, process and system changes at a cost would also need to be implemented to manage the proposed process
ENGIE Power Ltd	Yes	If we decide to use the hard to read process we will need to implement a process to identify the sites, maintain evidence for the hard to read declaration and inform appointed DAs and BSCCo of the declaration. We would further need processes to ensure that the declaration was resubmitted on any change of DA and removed where the hard to read status was no longer valid.
Solarplicity	No	We are a domestic-only supplier.
SMS Energy Services Ltd	Yes	We would need to implement processes to assist suppliers in identifying and evidencing HTR sites.
IMServ Europe Ltd	Yes	As an NHHDA, we will be affected. We will need to test and implement the new release of the NHHDA software and work with the new versions of the D0041 flows and will need to receive the new P-flow and log the details of the HTR sites, both starting and ending. We will obviously also need to manage / coordinate the maintenance or not of the HTR status through CoA/CoS.
ICoSS	Yes	ICoSS members will be positively impacted as they all operate within the non-domestic sector where HTR sites are commonplace. Our membership will be able to designate sites as HTR and, by doing so, will be able to operate on a level playing field with

Respondent	Response	Rationale
		former monopoly suppliers as they will not both incur the same costs. This will boost competition. No systems changes are anticipated.
SSE	Yes	Changes to both Systems and Business Processes
Stark	No	Would expect any changes required for the NHHDA software to facilitate exclusion of HTR metering systems & creation of the new version of the D0041 to be provided by Elexon development.
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	We operate in the non-domestic sector where HTR sites are commonplace. As a result of this change we are faced with a decision of paying an industry charge or carrying out an extensive administrative exercise in order to avoid the charge. Both ways forward have a cost involved either as a direct charge or in terms of human resource
Gazprom Marketing & Trading Retail Ltd	Yes	As a non-domestic supplier HTR sites are more common in our market than in the domestic sector. By being able to designate sites as HTR we will be able to compete more equitably with the larger domestic suppliers. We do not anticipate the need to change systems as a result of this modification.
Npower group ltd	Yes	<p>The mandatory element of the proposed solution will impact on NHHDA systems and processes. The changes to the D0041 will require technical development, and a process will need to be established for the NHHDA to receive and manage HTR notifications from Suppliers. As this will not be communicated through a DTN flow, there is a risk that bespoke arrangements will need to be made for different Supplier and NHHDC combinations, depending on their interpretation of the requirements for communicating this information. Appropriate controls would need to be built to ensure that there was no scope for manual error in the process.</p> <p>The Supplier settlement system would also require technical development to load the revised D0041 format.</p> <p>Corresponding changes would need to be made to the data flow infrastructure and gateways to accommodate the revised D004.</p> <p>If a Supplier chose to declare sites as HTR, systems and processes would need to be developed to</p>

Respondent	Response	Rationale
		maintain a record of if a site fulfilled the criteria and a method for maintaining an audit trail with associated evidence.
Opus Energy Ltd	Yes	<p>Excluding HTR sites from SP08a charges would be appropriate and would have a positive impact on our organisation in terms of reducing SP08a charges.</p> <p>This change could also result in increased operational costs.</p>
Ørsted	Yes	We believe the P366 Proposed solution would remove the barrier to competition and allow Ørsted and other small suppliers continue to compete in the I&C market without a pricing disadvantage.

Question 11: Will your organisation incur any costs in implementing the P366 Proposed Modification?

Summary

Yes	No	Neutral/No Comment	Other
10	4	1	0

Responses

Respondent	Response	Rationale
British Gas	Neutral	As this is a voluntary process, a view of costs incurred in implementing the P366 Proposed modification will be reviewed once a decision is made to progress.
Haven Power Ltd	Yes	As per question 10
ENGIE Power Ltd	Yes	Costs will be incurred to develop and run the new process. These have not yet been quantified, however we would assume that they would be less than the associated reduction in supplier charges, otherwise we would not implement the hard to read process. We would also anticipate increased agent costs on the back of this modification as DAs seek to recover the associated development costs.
Solarplicity	No	No costs will be incurred
SMS Energy Services Ltd	Yes	There will be resource costs and one-off costs for analysis and implementation of the change proposed.
IMServ Europe Ltd	Yes	As per question 10, we will have a one off costs of testing and implementing new NHHDA software – forecast cost 20 man days of testing/IT DBA time. Ongoing costs would depend on take up of the HTR process – but we expect these to be minimal – 0.1 FTE.
ICoSS	No	Our members will incur minimal administrative costs from operating the HTR process.
SSE	Yes	Yet to be determined
Stark	No	No rationale provided
TMA Data Management Ltd	Yes	The costs of the implementation of P366 would be on-going costs as the software is provided centrally. The costs would be

Respondent	Response	Rationale
Corona Energy	Yes	There will be some costs incurred as a result of the change, primarily to allow the identification and management of HTR sites, but we anticipate they will be modest.
Gazprom Marketing & Trading Retail Ltd	No	Any costs that we would incur we anticipate to be minimal administrative ones from operating the HTR process.
Npower group ltd	Yes	<ul style="list-style-type: none"> • One-off costs for development of changes to the D0041 (NHHDA and Supplier) • One-off costs for development of processes for NHHDA to handle HTR data • Ongoing costs for operating processes to maintain a list of HTR Metering Systems and how these feed into NHHDA • Optional costs for Supplier if they decide to declare any sites as HTR
Opus Energy Ltd	Yes	Please see answer to question 10
Ørsted	Yes	Yes, there will be some system and operational costs, but not significant.

Question 12: How long (from the point of Panel approval) would you need to implement the P366 Proposed Modification?

Responses

Respondent	Response
British Gas	Neutral
Haven Power Ltd	6 months, this time would be required to implement and embed process / system changes, as well as review capacity and resourcing to manage the process.
ENGIE Power Ltd	6 Months. Time required to develop internal processes. No system change is expected. This does not include lead times that appointed DAs may require to implement this solution.
Solarplicity	Can be implemented immediately.
SMS Energy Services Ltd	3 months
IMServ Europe Ltd	At least 6 months We would be able to work quickly but we would need ELEXON to co-ordinate and manager the update to the NHHDA software which we expect would take at least 6 months.
ICoSS	It is not anticipated that a lengthy implementation period will be required.
SSE	9 – 12 months Dependant on any required System changes. Rollout of new Business Processes would require a less lead in time.
Stark	No response provided
TMA Data Management Ltd	6 months
Corona Energy	It is not anticipated that a lengthy implementation period will be required.
Gazprom Marketing & Trading Retail Ltd	We do not expect a long implementation period to be needed.
Npower group ltd	12 months+
Opus Energy Ltd	A minimum of 6 months would be required to implement and embed system and process changes, and to ensure sufficient resourcing requirements.

Respondent	Response
Ørsted	3 months

Question 13: Will the implementation of the P366 Alternate Modification impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
10	4	1	0

Responses

Respondent	Response	Rationale
British Gas	Neutral	We recognise that the SP08a charge will alter, however the process to receive and validate the overall invoice will remain constant.
Haven Power Ltd	Yes	As per question 10
ENGIE Power Ltd	Yes	We would see a reduction in costs from SP08a charges. We could also remove the process to validate charges for SP08a.
Solarplicity	Yes	Removes a cross-subsidy from our business to our large competitors.
SMS Energy Services Ltd	No	No rationale provided
IMServ Europe Ltd	No	As a Party Agent we would not be directly impacted by the elimination of SP08 Supplier charges.
ICoSS	Yes	Our members will be positively impacted should this be implemented, removing the charge that puts them at a commercial disadvantage compared to large domestic suppliers.
SSE	Yes	Minimum changes to Business Processes
Stark	No	No rationale provided
TMA Data Management Ltd	No	No rationale provided
Corona Energy	Yes	Corona Energy will be positively impacted should this be implemented, removing the charge without any unnecessarily complex process in order to achieve it.
Gazprom Marketing & Trading Retail Ltd	Yes	We will be positively impacted by the implementation of the alternative modification. As stated previously, as a non-domestic supplier with a small portfolio of meters we are currently at a disadvantage and cross-subsidising suppliers with a large portfolio of meters. Removing the PARMS Serial SP08a supplier charges will create a more

Respondent	Response	Rationale
		equitable playing field and have a positive impact on competition.
Npower group ltd	Yes	Possible financial impact due to the removal of SP08a Supplier Charges but this will vary depending upon settlement performance and market share
Opus Energy Ltd	Yes	Please see answer to question 10
Ørsted	Yes	The Alternative solution will equally remove pricing disadvantages for small suppliers and hence ensure that we can compete fairly in the market.

Question 14: Will your organisation incur any costs in implementing the P366 Alternate Modification?

Summary

Yes	No	Neutral/No Comment	Other
3	12	0	0

Responses

Respondent	Response	Rationale
British Gas	No	No rationale provided
Haven Power Ltd	Yes	As per question 11
ENGIE Power Ltd	No	No system or process changes required.
Solarplicity	No	No rationale provided
SMS Energy Services Ltd	No	No rationale provided
IMServ Europe Ltd	No	No rationale provided
ICoSS	No	We anticipate no costs to prepare for the implementation of this modification
SSE	Yes	Possible System change, and Business Process changes
Stark	No	No rationale provided
TMA Data Management Ltd	No	No rationale provided
Corona Energy	No	We anticipate no costs to prepare for the implementation of this modification.
Gazprom Marketing & Trading Retail Ltd	No	We do not anticipate the need for any costs in implementing the alternate modification.
Npower group Ltd	No	No rationale provided
Opus Energy Ltd	Yes	Please see answer to question 11
Ørsted	No	No rationale provided

Question 15: How long (from the point of Panel approval) would you need to implement the P366 Alternate Modification?

Responses

Respondent	Response
British Gas	Neutral
Haven Power Ltd	As per question 12
ENGIE Power Ltd	This could be implemented immediately
Solarplicity	This change can be implemented immediately
SMS Energy Services Ltd	No response provided
IMServ Europe Ltd	Immediate (no impact)
ICoSS	We see no reason as to why this modification could not be implemented as soon as practicable following a decision to do so is made.
SSE	3 – 6 months Dependant on any required System changes. Rollout of new Business Processes would require a less lead in time.
Stark	No response given
TMA Data Management Ltd	No time would be required.
Corona Energy	We see no reason as to why this modification could be implemented as soon as practicable following a decision to do so is made.
Gazprom Marketing & Trading Retail Ltd	If accepted we would expect this to be implemented as soon as reasonable practicable.
Npower group ltd	Minimal implementation time
Opus Energy Ltd	Please see answer to question 12
Ørsted	Immediately

Question 16: Do you agree with the Workgroup's recommended Implementation Date for the Proposed Modification?

Summary

Yes	No	Neutral/No Comment	Other
12	2	1	0

Responses

Respondent	Response	Rationale
British Gas	Yes	No rationale provided
Haven Power Ltd	Yes	Minimum 6 months to implement as per question 12
ENGIE Power Ltd	Yes	We believe at least a 12-month lead time is required for DA and SPAA system development.
Solarplicity	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
IMServ Europe Ltd	Yes	No rationale provided
ICoSS	Yes	We are satisfied to defer to the Working Group's judgement with regards to the timescales for implementation.
SSE	No	Minimum of 12 months required, from the date the Authority's decision is received
Stark	Yes/No	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	We are satisfied to defer to the Working Group's judgement with regards to the timescales for implementation.
Gazprom Marketing & Trading Retail Ltd	Yes	We agree with the Workgroup's recommended Implementation Date.
Npower group Ltd	No	Longer implementation period would be welcomed to ensure that full and thorough testing of NHHDA system could be conducted both centrally by industry and at individual NHHDA's. Previous issues with D0041 flows have shown that they can have a significant impact on the market.
Opus Energy Ltd	Yes	We would require a minimum lead-time of 6 months to implement.

Respondent	Response	Rationale
Ørsted	Yes	No rationale provided

Question 17: Do you agree with the Workgroup's recommended Implementation Date for the Alternate Modification?

Summary

Yes	No	Neutral/No Comment	Other
12	2	1	0

Responses

Respondent	Response	Rationale
British Gas	Yes	No response Provided
Haven Power Ltd	No	Minimum 6 months to implement as per question 12
ENGIE Power Ltd	Yes	As no lead time is required from our end, we agree that the alternate could be implemented as soon as possible after authority consent. The dates proposed by the group are appropriate.
Solarplicity	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
IMServ Europe Ltd	Yes	No rationale provided
ICoSS	Yes	We are satisfied to defer to the Working Group's judgement with regards to the timescales for implementation.
SSE	No	Minimum of 6 months required, from the date the Authority's decision is received
Stark	Yes/No	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	We are satisfied to defer to the Working Group's judgement with regards to the timescales for implementation.
Gazprom Marketing & Trading Retail Ltd	Yes	We agree with the Workgroup's recommended Implementation Date.
Npower group ltd	Yes	No rationale provided
Opus Energy Ltd	Yes	We would require a minimum lead-time of 6 months to implement.
Ørsted	Yes	No rationale provided

Question 18: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P366 which would better facilitate the Applicable BSC Objectives?

Summary

Yes	No	Neutral/No Comment	Other
14	1	0	0

Responses

Respondent	Response	Rationale
British Gas	Yes	No rationale Provided
Haven Power Ltd	Yes	As per question 19
ENGIE Power Ltd	Yes	No rationale Provided
Solarplicity	Yes	No rationale provided
SMS Energy Services Ltd	Yes	No rationale provided
IMServ Europe Ltd	Yes	No rationale provided
ICoSS	Yes	We are satisfied with the Working Group's analysis that there are no other viable alternatives.
SSE	Yes	No rationale provided
Stark	Yes	No rationale provided
TMA Data Management Ltd	Yes	No rationale provided
Corona Energy	Yes	We are satisfied with the Working Group's analysis that there are no other viable alternatives.
Gazprom Marketing & Trading Retail Ltd	Yes	We agree with the working group.
Npower group ltd	Yes	No rationale provided
Opus Energy Ltd	Yes	Please see answer to question 19
Ørsted	No	The workgroup discussed to also remove HTR meters from the NHH settlement performance requirement and did not progress forward. We noted that this is a potential area for consideration under the new Issue 78 and would like to understand whether there will be broader industry support on progressing this as part of P366.

Question 19: Do you have any further comments on P366?

Summary

Yes	No
7	8

Responses

Respondent	Response	Comments
British Gas	No	No comments provided
Haven Power Ltd	Yes	P366 is highlighting a known problem within the NHH market, however this is only looking at the cost implications to a supplier. Issue 78 which has been raised recently by Opus Energy is looking at the wider picture. Since the implantation of P272, the impact of the ever depleting NHH market has on the industry has reduced dramatically. Due to no change in performance volume measures, suppliers are increasing resource to maintain performance. A proactive approach to this issue would be to review the supplier performance measure of 97% at RF, if the measure was reduced to reflect the reduction in volume across the industry, suppliers would pay less supplier charges and be able to put more resources into more pressing challenges presented in the industry currently, for example Smart meter roll out obligations and mandated HH settlement.
ENGIE Power Ltd	Yes	It should be noted that as this is a NHH solution and with Universal HH approaching both the proposal and the alternate have a limited lifespan. As such it does not seem cost effective to be spending large amounts of money on an interim solution. Due to this the alternate seems to be the sensible way forward.
Solarplicity	No	No comments provided
SMS Energy Services Ltd	No	No comments provided
IMServ Europe Ltd	No	No comments provided
ICoSS	Yes	We note that Elexon has recently raised Issue 78 – which explicitly recognises the issue of Hard to Read sites. We agree that there should be recognition that some sites are intrinsically harder to read than others. Rather than levying a blanket charge that only benefits large suppliers, the emphasis should

Respondent	Response	Comments
		be on maintaining performance through the Performance Assurance regime.
SSE	No	No comments provided
Stark	Yes	As previously stated, the HTR criteria would be useful process to apply to Supplier Settlement performance evaluations
TMA Data Management Ltd	No	No comments provided
Corona Energy	No	No comments provided
Gazprom Marketing & Trading Retail Ltd	Yes	We note Issue 78: Measurement and monitoring of Settlement performance, which was recently raised and agree that recognition needs to be made that some sites are intrinsically harder to read than others. It should not be the case that suppliers with a smaller portfolio of sites subsidise those with larger ones.
Npower group ltd	Yes	<p>If implemented, the P366 Proposed Solution would bring a confusing inconsistency into the BSC Performance Assurance Framework. Whilst we recognise the benefits of introducing a concept and definition for Hard to Read sites under the BSC, we do not feel this inconsistency would be appropriate. Removing HTR Metering System volumes from SP08a Supplier Charges at the same time as including the volumes in the calculation of performance against standards at R3 and RF could cause a conflict.</p> <p>It is difficult to determine if either solution would impact on overall settlement accuracy in the market as the settlement performance obligations would still stand.</p> <p>The extensive system and process development that would be necessary in order to implement the Proposed Solution would have a disproportionate cost compared to the level of SP08a Supplier Charges that are seen across the industry.</p> <p>It may be more appropriate for any amendments to Supplier Charges to be considered holistically and progressed under the Issue 69 Supplier Charging review.</p>
Opus Energy Ltd	Yes	Although we recognise the challenges raised surrounding HTR sites and that excluding HTR sites from SP08a charges could provide a positive impact, we believe that the proposed and alternative

Respondent	Response	Comments
		solutions should also have included a review of the 97% minimum performance threshold. If a site is being excluded from SP08a charges, there should be a mechanism to also remove the associated volume from settlement to ensure alignment of data. We have therefore recently raised Issue 78 'Measurement and monitoring of Settlement performance' to seek to address this.
Ørsted	No	No comments provided