Final CP Report – CP1388 and CP1395

Date	17 October 2013
Purpose of paper	For Information
Summary	This is the Final Report for Change Proposals (CPs) CP1388 'Meter Technical Details for Smart Meters' and CP1395 'Distribution of Configuration Details for Smart Meters', two distinct approaches relating to the distribution of Meter technical Details for smart Meters. This report provides details of the background, solutions, impacts, industry views, the SVG's recommendations; and the Panel's final views on its decision to reject CP1388 and approve CP1395 for implementation in the February 2015 Release.

1. Why change?

Current arrangements

Meter Technical Details (MTDs) are data sets relating to the Metering Equipment installed at each consumers' premises. These data sets are currently maintained by Meter Operator Agents (MOA) and distributed to the relevant Supplier, Data Collector (DC) and Licensed Distribution System Operator (LDSO) for each Metering System to which the MOA is appointed.

New operating model for smart Meters

The role of the MOA will change with the roll-out of smart metering.

Under the new operating model, the MOA will continue to install and maintain Meters via site visits, when requested by the relevant Supplier. However, only Suppliers will be able to configure smart Meters, for example to set and change the Meter's tariff registers to effect a change of Standard Settlement Configuration (SSC). They will achieve this by sending the relevant service request to the Data and Communications Company (DCC) the DCC User Gateway[1], which will result in the appropriate command being sent to the smart Metering System.

It was previously anticipated that where remote configuration is not possible, for example due to a local failure of the Wide Area Network (WAN), the Supplier could instruct the relevant MOA to update the configuration locally (e.g. using a handheld terminal) as it sees fit. However, under the DCC/Smart Energy Code (SEC) security architecture[2], only the Supplier will be able to programme a Meter. Therefore the MOA will only be able to update the configuration using a handheld terminal that holds a Supplier provided re-programming instruction and not directly itself.

[1] The DCC will provide secure communications between the users (Suppliers, LDSOs and authorised parties) and the compliant smart Meters.
[2] Security governance, including who may access the smart Meter through the DCC.

Amending the BSC to reflect the new operating model

A Balancing and Settlement Code (BSC) – Master Registration Agreement (MRA) Working Group ('group') discussed the best approach for amending the BSC to reflect the new operating model. A number of options were considered; with one option being fully developed that combined the elements of the various solutions that had the most support. You can find the consultation carried out by this group, and responses from industry, on the consultations page of the BSC Website.

CP1388 'Meter Technical Details for Smart Meters'

ELEXON raised the group's preferred option as CP1388. We also raised MRA Data Transfer Catalogue (DTC) CP3380[3], to capture the new data flows in the DTC.

We issued CP1388 for CP Impact Assessment (IA) on 28 December 2012 as part of CP Circular (CPC) 00722.

When we first presented CP1388 to the Supplier Volume Allocation Group (SVG) for decision on 5 March 2013 (SVG145/05), the Authority had not yet approved Modification Proposal P292 'Amending Supplier & Meter Operator Agent responsibilities for smart Meter Technical Details', which E.ON had raised in order to provide a 'hook' in the BSC to enable a detailed solution. Without P292 approval, the SVG could not make a decision on whether to approve or reject CP1388, as the CP required the relevant 'hook' in the BSC to be approved first.

In March 2013, when making a recommendation to the Panel, the SVG could not make a unanimous endorsement of CP1388, but all members agreed at the time that 'no change' is not an option. It therefore recommended by majority that the Panel reject CP1388.

CP1388 education session

When discussing P292, the Panel was aware that there were divergent views on a detailed solution. It therefore asked ELEXON to hold a session to explain CP1388 to the industry and see if any new opinions or solutions would be raised. We held the session on 20 June 2013, which covered the details of CP1388 and the various other options considered by the group.

Whilst no new views were raised, British Gas made it known that it intended to raise an alternative to CP1388. This CP, it advised, would be based on a 'minimal change' principle.

CP1395 'Distribution of Configuration Details for Smart Meters'

British Gas raised CP1395 on 19 July 2013 to address the issue for how configuration details are provided between the Supplier and the end users. It thinks that retaining the use of the D0149 'Notification of Mapping Details' / D0150 'Non Half-hourly Meter Technical Details' aligns closer to the agreed minimal change principle than CP1388 and addresses any possible ambiguity that may arise during the change of

[3] This is on hold pending the outcome of CP1388.

Supplier (CoS) processes, in particular around what set of flows a Supplier should be expecting to receive and from whom – i.e. is a Supplier and its systems waiting for the receipt of the D0149/D0150 or new Smart Device Details and Smart Meter Configuration Details. It also noted that then any implemented change would be a short term solution should a central MTD register be implemented.

2. Solution

This section sets out the two solutions for managing MTDs for smart Meters as identified in CP1388 and CP1395. Although there may be other options, BSC Parties did not raise these through a CP. As such, we asked participants to assess the merits of CP1388 and CP1395 against the baseline and each other.

Both changes are based on the same assumptions.[4]

CP1388 solution

For smart Meters, it was proposed that MTD are split into two flows:

- Smart Device Details – consisting of information that would have been sourced by the MOA based on the Meter and other smart equipment installed on site; and
- Smart Meter Configuration Details – consisting of register mappings and other configuration data that can be set or amended by the Supplier remotely via the DCC.

Responsibility for sourcing and maintaining the Smart Device Details would have remained with the MOA. The MOA would have provided the Smart Device Details to the Supplier when it installed, replaced or removed a smart Meter, or when it made any changes to the Smart Device Details.

Responsibility for sourcing and maintaining the Smart Meter Configuration Details would have rested with the Supplier.

Whenever there was a change to the Smart Device Details, the Supplier would have forwarded the Smart Device Details to the LDSO (and optionally to the Non Half Hourly (NHH) DC).

Whenever there was a change to the Smart Meter Configuration Details, the Supplier would have forwarded these to the NHHDC and LDSO (and optionally to the MOA).

[4] It is assumed that:
- Where a smart Meter is serviced by the DCC, security and communications details will remain the responsibility of the DCC and its service providers.
- Where there is a need to transfer security and communications details, this will be via the DCC User Gateway and that the interface definitions will form part of SEC governance. This would include the transfer of such data to and from the DCC and Smart Metering System Operators (SMSO) on an 'opt-in'/'opt-out' of DCC Services (i.e. for Non Domestic, Profile Class 3 and 4 Metering Systems).

The Supplier would not have been required to send the Smart Device Details and Smart Meter Configuration Details as a pair, but may have chosen to do so.

The Supplier would also have been responsible for distributing the Smart Device Details and Smart Meter Configuration Details to the appropriate participants on change of MOA and change of NHHDC and to the new Supplier on CoS.

CP1395 solution

Suppliers will be responsible for maintaining accurate Smart Meter Configuration Details, consisting of register mappings and other configuration data that can be set or amended by the Supplier remotely via the DCC.

The MOA will retain responsibility for the collation and distribution of MTDs and will continue to use the D0150 and D0149 data flows for these purposes, irrespective of whether the Meter is smart or non-smart.

Following remote configuration of a smart Meter (on initial installation, Meter exchange, change of SSC etc), the Supplier will provide the new configuration details to the MOA. The method of transfer will be by agreement between the Supplier and the MOA, including bi-lateral (DTC) flows, internal system flows or a new standard industry flow (the Smart Metering Configuration Details flow).

Any Supplier requests for the MOA to install other smart metering equipment (such as a communication hub or In-Home Display) and confirmation by the MOA will be subject to bi-lateral agreement between the Supplier and the MOA. This does not preclude a separate standard industry flow(s) being developed under the MRA, if required.

Attachment A shows the approved redlined changes for CP1395.

Justification, benefits and drawbacks for CP1388 or CP1395

Provided here is a summary of why each proposer believed their solution to be better than the baseline and the other CP.

Both solutions are compatible with the new operating model for smart Meters. This is set out in the Legacy System Changes (Enduring) v2.0 paper and details how the Supplier will discharge its responsibilities, as defined by P292, for MTDs for smart Meters.

CP1388 justification

The proposed solution reflects the preferred solution of the BSC-MRA group and of respondents to the group's consultation.

The proposed change reflects the revised responsibilities set out in P292 and avoids making the MOA a "post-box" for configuration changes made by the Supplier. Given that configuration changes will usually be

made by the Supplier, moving responsibility for distributing data from the MOA to the Supplier will ensure that NHHDCs and LDSOs receive the data they need from a single source at the same time as the Meter readings. The recipients will know who to chase for missing details.

CP1388 would have needed to be run in parallel with legacy arrangements.

CP1388 would have introduced greater risk than CP1395 in terms of implementation impact and costs. However, it was less risky in terms of timeliness and accuracy for distribution of MTDs and Meter readings to the NHHDC, and therefore posed less risk to Settlement.

Using new data flows is "cleaner" as it better reflects the separation of responsibilities between Suppliers (who will remotely configure Meters and provide the data that NHHDCs need to process readings) and MOAs (who will still be the source of information, like the Meter Asset Provider (MAP) and test dates, which are not required immediately, if at all, by the NHHDC). This would have therefore helped in exception reporting and performance monitoring as there would have been clear accountability for sending the dataflows.

CP1395 justification

Retaining the use of the D0149/D0150 aligns closer to the Smart Metering Implementation Programme's (SMIP's) agreed minimal change principle than CP1388 and introduces less risk and costs[5] in terms of implementation.

The extended use of the D0149/D0150 removes any possible ambiguity during the CoS processes around what set of flows a Supplier should be expecting to receive. That is, the Supplier will not have to anticipate whether they should expect the D0149/D0150 or the new Smart Device Details and Smart Meter Configuration Details. In terms of missing MTD on CoS, the new Supplier needs to understand from whom it is expecting the MTD. If not addressed, these issues could potentially contribute to poor customer experience through CoS events, but more importantly (from a BSC point of view) it adds risks to Settlement of poor data quality. It is difficult to track missing data if there is uncertainty around the nature of the data and its source.

In exploring options for the centralisation of services under the DCC in the Ofgem Smarter Markets Smart Change of Supplier workstream, it has been suggested that the DCC could become a central point for the storage and communication of MTDs. If a central MTD register were to be implemented then any changes implemented here may be a short term solution. If MTDs are centralised, costs can be avoided by minimising the cost of implementation and amount of change and disruption to current business processes. Therefore, CP1395 may result in less wasted effort and cost than CP1388 if future solutions are developed that place less reliance on the need to distribute MTDs (for example, through the smarter markets work), but if a 'CP1388 like' solution becomes the enduring solution, then this would not be the case.

[5] Whilst most participants haven't provided actual costs, it is clear from the responses that the costs of CP1388 will be significantly more for most than the costs for CP1395.

However, under CP1395, the NHHMOA would just be performing a 'pass through' function, which is unlikely to be as efficient as sending the data directly between the participant that carries out the configuration (the Supplier) to the participant that needs the configuration (the NHHDC). This introduces the risk of lateness and error in the MTDs and in interpreting the Meter readings.

3. Consequential changes arising from CP1388/CP1395

ELEXON has also identified, and the SVG at its 1 October meeting (SVG152) discussed, potential future changes that could further impact how MTDs are exchanged or reduce the need to transfer MTD.

Change of Measurement Class

The scope of both CP1388 and CP1395 exclude the change of Measurement Class (CoMC) processes. This is because further consideration is needed in the wider context of potential changes to the Metering Codes of Practice and the use of elective Half Hourly (HH) metering. These processes are likely to be subject to a subsequent CP, which will also need to take into account any matters arising from Issue 49 'Change of Measurement Class (CoMC) process for Advanced Meters'.

PARMS Serials

Remote configuration by Suppliers may change the MTD risk to the extent that a Performance Assurance Reporting and Monitoring System (PARMS) Serial is not required for smart Meters, but needs to be run off for non-smart Meters. However, the Performance Assurance Board (PAB) may want changes to the relevant PARMS Serials if it deems it necessary (other options may deliver the same assurance), which may include:

- For CP1388, changes to reflect the transfer of some of the MOA's responsibilities to the Supplier.
- For CP1395, changes to measure timeliness of communicating the new Smart Meter Configuration Details from the Supplier to the MOA, which would require a new PARMS Serial.

These will need to be progressed via a separate CP. Otherwise, PARMS would remain unchanged.

Change of Supplier

As part of its Smarter Markets programme, Ofgem is reviewing potential reform options, which include centralised MTD, removing the transfer of MTD during the CoS process and moving responsibility for validating readings from the NHHDC to the Supplier.

These reform options were under discussion by Ofgem's CoS Expert Group (CoSEG), which met for the final time on Wednesday 9 October 2013, before Ofgem consults on the reform options in quarter one 2014. ELEXON believes that any required change to the MTD transfer on CoS arising from an Ofgem decision could

be managed as an incremental change to CP1395. However, this would not necessarily have been the case with CP1388, which had longer lead times and would likely be disruptive to its implementation.

4. Impacts and costs

We have only included the impacts and costs for CP1395 here.

Central impacts and costs

CP1395

ELEXON costs and impacts		
Document changes	**System changes/impacts**	**Total**
BSCP504	No BSC System changes or impacts identified	1 man day equating to £240[6]
BSCP514		
SVA Data Catalogue Volume 1		

We issued the redlined changes for IA, using BSCP514 v26.0, which will come into effect on 7 November 2013.

Party impacts and costs

Most participants did not provide actual costs but gave qualitative responses.

CP1395

Party impacts	
Party type	**Impact and costs**
Supplier	Less change than CP1388 in terms of processes, systems and training to handle new Smart Meter Configuration Details flow or setting up of bi-lateral arrangements for communicating configuration details.
NHHMOA	Less impact where the NHHMOA role is "in-house", as will be able to use "underpin" processes.
NHHDC	Some training likely to be required. NHHDCs are likely to require processes to ensure Meter readings are paired with correct configuration details.
LDSO	Some training likely to be required.

[6] Includes all activities associated with implementing this proposal.

5. Implementation approach

CP1388 and CP1395 were both proposed for implementation on 26 February 2015 as part of the February 2015 BSC Systems Release. This was to give Suppliers, LDSOs and Supplier Agents sufficient time, based on IA responses, to implement changes prior to the mass rollout later that year and also enable those that wish to rollout earlier to do so under these arrangements.

6. Industry views

With the approval of P292 and an alternative detailed solution in CP1395, ELEXON was able to consult again on CP1388, and did so under a joint IA. It also allowed the SVG rather than the Panel to make a decision on which detailed solution to implement, if any.

We issued CP1388 for a second IA along with CP1395 through CPC00729 on 26 July 2013. We received:

- 17 responses for CP1388, of which seven agreed (one with a caveat) and 10 disagreed; and
- 16 responses for CP1395, of which nine agreed and seven disagreed.

The breakdown of responses is shown in the following table and the full collated participant responses to CP1388 and CP1395 are available on the individual CP pages on the BSC Website.

Summary of responses for CP1388 and CP1395

Organisation	**Capacity in which organisation operates** (Supplier, LDSO etc.)	**CP1388 Agree?**	**CP1395 Agree?**	**Impact**
Utilita Energy Ltd	Supplier	No	Yes	Yes
Western Power Distribution	LDSO	Yes	No	Yes
BGlobal Metering Limited	HHDC, NHHDC, HH Data Aggregator (DA), NHHDA, HHMOA and NHHMOA	No	Yes	Yes
TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	No	Yes	Yes
IMServ Europe Ltd	HHDC, NHHDC, HHMOA, NHHMOA, HHDA, NHHDA	Yes	No	Yes
GDF SUEZ Marketing Ltd	Supplier	No	Yes	Yes
Spark Energy	Supplier	No	-	Yes/-
Siemens Metering, Communications & Services	NHHMOA, NHHDC, NHHDA, HHMOA, HHDC, HHDA, Central Volume Allocation (CVA) MOA	Yes	No	Yes
ScottishPower	Generator, Supplier, LDSO, Supplier Agents	No	No	Yes
Electricity North West Limited	LDSO	Yes	No	No
EDF Energy	Supplier, NHHDC, NHHMOA, HHMOA	Yes	No	Yes
SSE	Supplier, NHHMOA, NHHDC	No	Yes	Yes

Summary of responses for CP1388 and CP1395				
Organisation	**Capacity in which organisation operates** (Supplier, LDSO etc.)	**CP1388 Agree?**	**CP1395 Agree?**	**Impact**
Total Gas & Power	Supplier	No	Yes	-
Haven Power Ltd	Supplier	No	Yes	Yes
British Gas	Supplier, MOA	No	Yes	Yes
E.ON	Supplier	Yes	No	Yes
Npower	Supplier and Supplier Agents (HH and NHH)	Yes – with caveats	Yes	Yes

During this consultation, we asked some specific questions relating to these changes. The responses to these are captured under Attachment B. The following is a summary of the consultation responses.

Summary of participant views on CP1388

From the second consultation, those that supported CP1388 noted that:

- The provision of asset details from the MOA to Supplier remains unchanged.
- It has less risk of failure due to a single source of MTDs sent to DC and LDSO and provided from the party with BSC obligations and responsibilities for sending them.
- It is simpler and more efficient.
- It has a single point of contact in the case of missing MTDs.
- The Supplier could validate MTDs against Registration data held in SMRS to ensure consistency before passing it to other parties.

Those that are against CP1388 noted that:

- It results in significant change to the Supplier responsibilities, which will be costly and disruptive to implement and which are unlikely to be an enduring solution.
- Two distinctly different processes for MTD distribution will create a 'two tier process', which will increase the complexity of the process and therefore increase the risk to Settlement.
- There will be additional complexity in determining the source of missing data for escalation purposes.
- Major changes to the current processes may result in the need for re-certification, which will increase costs and implementation timescales.

- Suppliers may struggle to relate tariffs and SSCs together in their systems, which could result in them providing erroneous configuration detail flows or none.

Summary of participant views on CP1395

Those that supported CP1395 noted that:

- The party with experience and expertise takes responsibility for this activity.
- It is the simplest solution, complying with the 'minimal change principle' utilising existing flows, systems and processes, and therefore is the least risky to implement.
- When attending a site, the MOA being informed of the configuration of the Meter will be better placed to makes sure it collects all the register readings if requested by Supplier, which will also aid Suppliers in achieving their Supplier Licence Condition 12 obligations, which relate to theft and inspection of Meters.
- The points of failure already exist with the timely provision of MTDs to the NHHDC being a focus of the PAB.
- Any risk could be mitigated through appropriate controls; such as follow up processes where by the Supplier ensures that the NHHDC has received the MTDs and Meter readings.
- Improvements to MTDs distribution could be introduced at a later date based on evidence rather than assumption. This could either be based on experience and testing with the DCC or through an enduring solution when registration is brought into the DCC.

Those that are against CP1395 noted that:

- By adding an additional party into the process, which isn't the originator of the configuration details and which will be different from the party providing the Meter readings, will increase:
    - the risk that MTDs become corrupted/misaligned or not passed on at the same time as the Meter readings, which in turn can result in the readings being misinterpreted or delayed in the event that a read is received before configuration details; and
    - the number and complexity of intra-party queries.
- It does not resolve the current issue with the inconsistency of data between the D0149/D0150 and these conflicting with the Registration data provided by the Supplier.
- Recipients of dataflows (MTDs and Meter readings) will not know which sets they are expecting to receive.

- Less defined demarcation between smart and legacy Meters, which may lead to errors being carried forward into future smart processes.
- Over reliance on bilateral arrangements for the communication of information.

Summary of views for those against any change

One Party is against either change. This Party noted that:

- Suppliers should determine how distributing MTDs should be carried out and what mitigation techniques should be put in place, recognising that some Suppliers might wish to continue distributing MTDs through an MOA, but that others should be allowed the option of distributing them directly.
- Smart metering will have benefits for the following, which will reduce the need for any BSC governance around these Metering Systems:
    - the Performance Assurance Framework (PAF), in particular the top NHH Settlement Risks, which should lead to the PAF focus for NHH Settlement Risks moving to minor issues; and
    - a reduction in the costs of managing the Settlement arrangement.
- The level of MOA intervention will reduce for smart Meters during rollout (and cease completely at the end of rollout), so processes for smart Meters aren't required as they will have no direct impact on Settlement.
- The industry should concentrate on developing the SEC to meet all smart Meter requirements, separating out the smart requirements into the SEC and legacy arrangements in the BSC Procedures.

Timescales for transfer of data for CP1395

One of the questions asked in the consultation was in regard to the timescales for transfer of data, as set out in CP1395. This proposal does not suggest changing the existing timescales. However, it was necessary to ask the question as this CP would introduce the additional step in the process (Supplier sending configuration details to the MOA before it provides these to the NHHDC), which could cause delays. Most agreed that the timescales were appropriate, with:

- two recognising that this would remain in line with legacy arrangements;
- one stating that there would be sufficient time; and
- another noting that it would may be useful to have a specific timescale for the Supplier to provide the configuration details to the MOA.

Of those respondents who thought that the timescales should be changed only two provided comment. Those comments were split, with:

- one thinking that MOAs would fail to meet the 10 Working Days (WDs) as they were more likely to be waiting for the Supplier to provide the configuration details; and
- the other thought that remote configuration of the Meter would result in quicker provision on the MTDs, so would like to see the timescales reduced to one WD.

It is our view that whatever CP is approved, if any, further changes in regard to timescales may become necessary, but that this should be assessed based on evidence.

Comments on the proposed redlining

We received several comments relating to the redlined changes to both CP1388 and CP1395.

7. SVG views and recommendation

ELEXON presented CP1388 and CP1395 to the SVG at its meeting on 1 October 2013 (SVG152/09) and provided details of the background, solution, impacts and industry views for the two changes.

ELEXON and the majority of SVG believe, however, that whilst there may still be issues for smaller participants under CP1395, it would better facilitate competition than the alternative of CP1388 or the 'no change' option.

The Panel has delegated authority to the SVG to approve CPs impacting the Supply Volume Allocation aspects of the BSC[7]. However, under the SVG's Terms of Reference, where the SVG is unable to make a unanimous decision and the SVG Chairman feels that no decision is possible then the matter is referred to the next Panel meeting for determination.

The SVG could not make a unanimous decision with respect to CP1388 nor CP1395. As such it fell to the Panel to make a decision. A minority felt that 'no change' was an option but preferred CP1395 if any change was to be implemented. A minority felt that CP1388 was the better solution and the majority felt that CP1395 was the better solution. It therefore:

a) **RECOMMENDED** by majority that the BSC Panel reject CP1388 and approve CP1395 for implementation on 26 February 2015, as part of the February 2015 BSC Release;

[7] Where the total central implementation cost is less than £150,000

b) **AGREED** that the CP1395 proposed amendments to BSCP504, BSCP514 and the SVA Data Catalogue volume 1 (including minor amendments in response to comments from the IA) deliver the aims of CP1395; and

c) **AGREED** that the CP1388 proposed amendments to BSCP504, BSCP514, BSCP515, SVA Data Catalogue volume 1 and SVA Data Catalogue volume 2 deliver the aims of CP1388.

ELEXON will publish the final minutes on the SVG152 pages once approved at the November 2013 meeting.

8. BSC Objectives

During the discussions at SVG on 1 October, the Panel Sponsor asked for SVG's views on whether the changes will continue to facilitate achievement of the Applicable BSC Objective(s). To support the Panel's deliberations, ELEXON presented a view on how each CP facilitates the Objectives to the Panel. This was based on ELEXON's review of the information it provided via the SVG and the SVG's majority view.

BSC Objective (d)

It is ELEXON and SVG's majority view that both CP1388 and CP1395 better facilitate Applicable BSC Objective (d) 'promoting efficiency in the implementation of the balancing and settlement arrangements' by enabling Suppliers and MOAs to fulfil their future responsibilities.

ELEXON noted that CP1395 allows Suppliers with in-house MOA functions to agree bilateral arrangements, whilst providing an industry 'standard configuration details' flow for those who wish to use it. As such, CP1395 represents a lower cost interim solution pending further smart developments. Therefore, we recommended that CP1395 should be implemented as it introduces an industry standard for Suppliers to notify MOAs of smart Meter configuration details. We also noted that because of the conflicting views and uncertainty it would not have been prudent to implement the more complicated CP1388 solution at this point in time, whatever its merits as a longer term solution.

BSC Objective (c)

It is also ELEXON's and the majority view of the SVG that due to the costs, both in terms of implementation and longer-term running of two parallel arrangements (legacy and smart), that CP1388 would not better facilitate 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' due to the impact that this would have had on smaller Suppliers and their MOAs.

9. Final decision

ELEXON presented CP1388 and CP1395 to the Panel at its meeting on 10 October 2013 (217/07) and provided details of the background, solution, impacts and industry views for the two changes; along with the majority and minority views of the SVG.

ELEXON gave the Panel a recap of the recent developments of CP1388 and CP1395. It informed the Panel that both CPs are mutually exclusive and therefore the Panel could not approve both CPs, but could reject both CPs, approve CP1395 and reject CP1388 or vice versa. It also clarified that the Panel also had the option to defer for further review.

The Panel noted that that rejecting both CPs would not result in a 'no change approach', as BSC Parties would still need to make changes to incorporate Supplier responsibility of MTDs for smart Meters and that this would have meant that such practices would be developed in isolation with no industry standard. The Panel noted that such an approach could lead to increased risk, which would need to be mitigated through the PAF.

The Panel discussed deferral in relation to the two CP's interactions with Ofgem's Smarter Markets programme. ELEXON noted that there are three potential reform options identified by the Smarter Markets CoS project, which could have an impact on the distribution of MTDs.

- The centralisation of data processing and data aggregation, which is a longer term reform to be discussed further by the Settlement Reform project.
- The centralisation of registration data, which may or may not include MTDs, identified as a longer term system change (for 2018 or later).
- The earliest potential reform would de-couple the transfer of MTDs from the processing of CoS readings, which is not expected to begin until Ofgem has published its response to the CoS consultation (scheduled for March 2014).

The Panel noted that CP1388 and CP1395 address all business events where MTDs are exchanged, and not just CoS, so these changes will be needed irrespective of any CoS reforms.

The Panel considered whether the SEC Panel should be consulted to ensure the Panel are not acting in isolation and noted that the scope of the SEC includes the interface between DCC users and smart Meters (via the DCC), but excludes the interfaces between Suppliers and their agents for Settlement purposes. ELEXON confirmed that DECC had made the boundaries of responsibility clear by including the distribution of MTDs in the scope of its consequential changes working group.

The Panel noted the key concerns surrounding CP1388. It noted that the majority view of SVG is that CP1388 is too complex and too large a step, which may need to be backed out at considerable risk of cost; whilst CP1395 is a smaller step in the right direction and has the least impact on smaller parties. A Panel

Member concluded that CP1395 represented a better interim solution pending greater certainty on Ofgem's longer term Smarter Markets reforms.

The Panel noted that in March 2013 it had already deferred making a decision, which was to allow the industry an opportunity to come forward, voice its concerns and suggest an alternative approach. This resulted in British Gas raising CP1395, so it therefore did not see the benefit in any further delay.

The Consumer Representative supported making a decision on the CP's now as ELEXON had alleviated concerns over the interaction with Ofgem's roll out programme and that a swift decision had the potential to minimise any competitive distortions.

The Panel rejected CP1388 and approved CP1395 for implementation on 26 February 2015 as part of the February 2015 release.

Attachments:

Attachment A – CP1395 Approved Redlining v1.0

Attachment B – CP1388 & CP1395 Consultation Responses

For more information, please contact:

Simon Fox
Change Analyst, Transformation Delivery
simon.fox@elexon.co.uk
020 7380 4299