RETAIL ENERGY CODE

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01	Initial Assessment Report
02	Preliminary Change Report
03	Final Change Report

CHANGE REPORT

R0150 – ON-SITE AGGREGATION AS A METHOD TO FACILITATE THIRD PARTY ACCESS (BSC P455)

CHANGE REPORT	FINAL
DOCUMENT VERSION	2.0
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RESPONSIBLE COMMITTEE	METERING EXPERT PANEL	CHANGE PATH	SELF GOVERNANCE
PRIORITY STATUS	MEDIUM	URGENCY	STANDARD

DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS	22/03/2024

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CHANGE OVERVIEW

Following a modification proposal to the Balancing and Settlement Code (BSC) to allow on-site aggregation as a method for third party access on private networks, the Code Manager is required to amend the REC to place a requirement on the Meter Equipment Managers (MEMs) appointed by the Boundary Points Electricity Supplier, to rectify any faults found with the submeters used in the On-Site Aggregation methodology.

	High Impact: N/A
	Medium Impact: Metering Equipment Managers
	Low Impact: Electricity Consumers (non-domestic)

RESPONSIBLE COMMITTEE DECISION

On 08 May 2024, the Change Panel voted to **APPROVE** R0150 subject to approval of BSC Modification P455 for implementation, no earlier than 28 June 2024.

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BACKGROUND

1 SUMMARY

This Change Proposal is a consequential cross Code change as a result of BSC Modification P455 'On-Site Aggregation as a method to facilitate Third Party Access'.

Consumers on Private Networks may be supplied with electricity from the Boundary Point Supplier that is usually appointed by the Private Network Operator (PNO). As a result of the Electricity and Gas (Internal Markets) Regulations 2011 (Statutory Instrument (SI) 2011 No. 2704), Consumers on such networks also have the right to switch to a third-party supplier (TPSs) of their choice and, PNOs are obligated to facilitate access to TPSs.

Emergent Energy, using a Sandbox trial, developed BSC Modification P455 to provide an additional option, deemed to be more effective, on how Private Networks can facilitate access to TPSs. This also includes a requirement that the MEM, appointed by the Boundary Point Electricity Supplier, to rectify any faults found with the sub meters used in the On-Site Aggregation solution.

The terms Metering Equipment Managers and MEM will be used throughout this report; however, these terms will become Meter Operator Agent and MOA at the point of implementation of this change on 28 June 2024. This is due to the implementation change R0064 – Creating a Meter Operator Agent and MOCOP Installer as part of the same REC release that reintroduces the distinction between Meter Operator Agents and MOCOPA Meter Installers.

2 PROBLEM STATEMENT

Under the proposed solution for BSC Modification P455, Consumers will require a Market Participant to oversee the maintenance of their sub-meter, including installations and rectification of metering faults. To ensure this, the REC will need to place a requirement on the MEMs appointed by the Boundary Point Electricity Supplier to rectify any faults found with the sub-meters used in the On-Site Aggregation.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	As a Consumer I want confidence that any issues with my meter will be rectified.
C2	As a Consumer on a third-party network, I want the ability to switch suppliers with ease.
MARKET PARTICIPANT USER STORIES	
M1	As a MEM, I want to understand which meters I am expected to maintain.

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PROPOSAL

4 SUMMARY OF ANALYSIS UNDERTAKEN

Following the conclusion of the BSC's P455 workgroup series, in which the REC Code Manager participated in, a fully formed solution was provided. Therefore, further analysis was not required.

5 PROPOSED SOLUTION

The proposed solution has been provided by the BSC, as the lead Code of this cross-Code change, and is a legal text solution only.

As outlined in the BSC Modification P455, a requirement is placed on the MEM, appointed by the Boundary Point Supplier, to rectify any faults found with the sub-meters used in the On-Site Aggregation methodology; and to produce and submit the On-Site Aggregation form to the Half-Hourly Data Collector (HHDC), BSCCo.

Since MEMs are governed under the REC, and not the BSC, a change is required to incorporate the requirements for the On-Site Aggregation methodology, and subsequent On-Site Aggregation form, into the REC. A link to the form will be provided as part of the legal text solution.

The proposed solution sees the explanation, and instructions, for the On-Site Aggregation Validation Test incorporated into the REC. This will be the same test instructions as included in the BSC, but with the appropriate terminology changes. This legal text solution will provide the basis of the requirements placed on the MEMs.

The proposed solution will be included under the existing Complex Site Validation Test in section 20 of Schedule 14 – Metering Operations Schedule.

As part of the solution, Schedule 1 will also be updated to include a definition for Private Networks, also referred to as Licence Exempt Distribution Networks, as defined by the BSC.

5.1 MARKET WIDE HALF-HOURLY SETTLEMENT

DESIGN	DATA SPECIFICATION	DRAFTING
No impact – there is no reliance on On-site Aggregation Methodology in the MHHS Design.	The proposed solution does not seek to make any changes to any data items.	The Code Manager has engaged with the REC MHHS drafting leads to review the legal drafting to ensure the legal text changes under R0150 are able to be included in the Code drafting of Schedule 14 as part of MHHS. R0150 introduces new text only. It will require MHHS drafting to use new terminology rather than HHDC. This will be captured as part of the MHHS drafting consistency checks following R0150 approval. This will be done in alignment with BSC MHHS drafting to reflect P455.

6 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0150 can be found here.

The legal text places a requirement in Schedule 14 – Metering Operations Schedule (under Section 20 – Proving Tests (Electricity only), paragraphs 20.16 and 20.17) for MEMs to rectify faults found in sub-meters used in the On-Site Aggregation methodology and submit the On-Site Aggregation form.

Please note, that whilst the term MEM has correctly been used throughout this report, the draft legal text uses the term MOA (Meter Operator Agent). This is in accordance with R0064 – Creating a Meter Operator Agent and MOCOP Installer and also becomes effective as of 28 June 2024.

7 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

7.1 REC PARTY IMPACT ASSESSMENTS

An impact assessment was issued targeting suppliers and MEMs**,** to request information to support the case for change. However, no responses were received within the 18 Working Day period.

The Code Manager provided another opportunity to receive the views from suppliers, MEMs, and all other REC Parties, again, during a consultation period.

8 DELIVERY AGAINST CHANGE PROPOSAL PLAN

As noted in dependency R0150.CPP.D001 in the original Change Proposal Plan, this is a cross Code amendment with the BSC, where the REC is the not the lead Code. As such, the timescales and Change Proposal Plans are aligning with, and are dependent upon, the BSC schedule and this being maintained.

Following a change to the schedule for BSC Modification P455, the Change Proposal Plan for R0150 was updated, and approved by the Change Panel on 08 February 2024.

To date, all activities have been completed within the re-planned timescales.

The Change Proposal Plan can be found here.

9 DEPENDENCIES

No.	DEPENDENCY	NOTES	STATUS
R0150.CPP.D001	BSC Schedule	As this is a cross Code amendment, where the REC is not the lead Code, the timescales are aligning, where possible, with the BSC's. Consequently, our timescales and CPP will be dependent upon the BSC schedule being maintained, including gaining Authority approval prior to the proposed implementation date.	Ongoing

10 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	28/06/2024

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

The implementation date and approach are being aligned to that of the BSC Modification P455.

Please note that the implementation date for BSC Modification P455 is dependent upon the modification receiving Authority Determination prior to the proposed implementation date.

11 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 22 March 2024 to obtain views on the Preliminary Change Report. In total, three responses were received from Suppliers and MEMs. The responses have been consolidated and comments provided by the Code Manager. This can be found here.

The key themes from these responses have been summarised and set out below.

11.1 SUMMARY OF RESPONSES

11.1.1 COMMENTS ON THE PROBLEM STATEMENT, SOLUTION AND LEGAL TEXT

The consultation respondents agreed that the proposed solution resolves the problem statement, however one respondent noted that this was assuming all the meters on-site are fully supported by the MEM.

Two of the consultation respondents stated that they agreed with the legal text document changes in the proposed solution. However, one MEM noted that they believe that the legal text provides no provision for the scenario where the equipment on-site is not supported by the MEM.

11.1.2 IMPACTS ON SYSTEMS AND/OR OPERATIONAL PROCESSES

The MEM respondents stated that there would be no impact to systems, and that any requirements as part of this change are similar to standard operational agreements.

A supplier responded and stated that there would be a positive impact from a supplier perspective since the change would facilitate the provision of Private Network consumption data to the Data Collector without the need for complex difference metering arrangements involving multiple parties.

11.1.3 BENEFITS RELATIVE TO IMPLEMENTATION AND OPERATIONAL COSTS

All respondents agreed with the proposed implementation date and approach, and informed the Code Manager that there would be no additional costs because of system changes required to implement this change.

MEMs noted that they did not anticipate the change to bring any new benefits to their organisations as the change is plugging a gap in the process. A supplier noted that implementing this change will bring a positive benefit to end Consumers in Private Networks since they will have easier access to competitive supply offerings.

11.1.4 IMPLEMENTATION APPROACH AND DATE

All respondents agreed with the proposed implementation date and approach.

11.1.5 ADDITIONAL COMMENTS ON THIS CHANGE PROPOSAL

The Code Manager invited any additional comments from respondents as part of the consultation and received one additional comment. One respondent noted that they believe the solution is only manageable at a low volume. The respondent stated that they believe that if the volume increases significantly, then the process proposed in the solution may become unworkable.

11.1.6 CODE MANAGER RESPONSE AND ENGAGEMENT WITH LEAD CODE

As noted in the consolidated consultation responses document, since the BSC is the lead Code for this cross Code change, the REC Code Manager engaged with the BSC following the consultation to share the comments and potential concerns raised by respondents.

Following engagement with the proposed of BSC Modification P455, the BSC explained the following the REC Code Manager:

- The comments, and questions raised, are usual commercial questions that exist in the market for MPANs/suppliers. However, there should not be a situation where a MEM is unable to complete a task as part of the On-Site Aggregation method. If the MEM installs a meter, they should be able to use the model. If MEMs cannot support a particular Meter, they would need to request the supplier de-appoints them and appoints an agent that can support (or develop the capability to support themselves).
- Similarly, if an On-Site Aggregation site exists where the relevant parties would like a new MEM applied, they will have to either be able to use the existing model or will need to swap the meters to a compatible model. This would not stop the On-Site Aggregation requirements from being workable.
- Volume levels had been extensively addressed throughout the change process for BSC Modification P455, and the BSC confirmed that there is a database to track take up (volume) and quality of delivery. If volumes are high, and there are concerns of the quality of delivery, or if there is motivation to streamline the On-Site Aggregation arrangements, an extra Code modification (and where required a future REC Change Proposal) can be introduced.

12 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

Two minor typographical changes have been made to the legal text due to the implementation of a related REC Change Proposal, and further engagement with the BSC and the REC MHHS drafting leads.

DOCUMENT	SECTION	AMENDMENT	REASON
Schedule 14 – Metering Operations Schedule	On-Site Aggregation Validation Test (20.16 – 20.17.7)	Replacement of the term Metering Equipment Manager (MEM) with Meter Operator Agent (MOA).	As noted in the Preliminary Change Report in line with the implementation of R0064.
	On-Site Aggregation Validation Test (20.17)	"On-Site Aggregation MSID" replaced with "On-Site Aggregation Metering System."	A change to the terminology to align with the wider REC.

13 BUSINESS CASE ASSESSMENT

13.1 COSTS

There are no central system costs related to this Change Proposal.

13.2 BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
INTANGIBLE BENEFITS	• This change will ensure that Metering Equipment for those on Private Networks can be effectively repaired and a maintained, allowing a MEM to rectify any faults found with the sub-meters, including installations, used in the On-Site Aggregation solution. • The introduction, and maintenance, of On-Site Aggregation methodology as a way to facilitate third party access, will allow Consumers on Private Networks greater choice and flexibility of their supplier. • This change will provide a positive impact on suppliers as this change will facilitate provision of Private Network consumption data to the Data Collector without the need for complex difference metering arrangements involving multiple parties.

	• This change ensures that Consumers on Private Networks maintain the right to switch to a third-party supplier of their choice, honouring the legal requirements under Electricity and Gas (Internal Markets) Regulations 2011 (Statutory Instrument (SI) 2011 No. 2704). • This is an enabling change within a wider industry change to deliver On-Site Aggregation methodology within the BSC.

13.3 COST BENEFIT ANALYIS SUMMARY

As there are no costs to central systems to implement this change, the cost benefit analysis relies on the intangible benefits that this change facilitates.

Parties also confirmed in consultation responses that they did not expect to incur any additional costs because of system changes required to implement this change.

14 CASE FOR CHANGE

14.1 SELF-GOVERNANCE

The Code Manager believes that there is a positive case for change on the basis that:

- The solution is fully formed and appropriately resolves the Problem Statement.
- There are no central system costs to implement this Change Proposal.
- The change supports a cross Code industry change and will support the introduction of On-Site Aggregation methodology for Private Networks and creates a positive Consumer experience by providing a requirement for any faults with sub-meters used in On-Site Aggregation to be rectified; and
- The Change Proposal, and the solution, has received support from industry during the consultation, with responses noting that the change will result in a positive benefit for end Consumers in Private Networks who will have easier access to competitive supply offerings.

15 CODE MANAGER'S RECOMMENDATION

Based upon the assessment made in Sections 13 and 14 of this report, the Code Manager recommends that the Metering Expert Panel:

- **APPROVE** the proposed change solution.
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 28 June 2024.

16 RESPONSIBLE COMMITTEE DECISION

This report was discussed at the REC Metering Expert Panel meeting on 08 May 20244.

The REC Metering Expert Panel voted to:

- **APPROVE** the proposed change solution subject to approval of BSC Modification P455;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date to be no earlier than 28 June 2024.

17 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link (Full Schedule) Link (Schedule Extract)
CONSOLIDATED CONSULTATION COMMENTS AND CODE MANAGER'S RESPONSES	Link
RELATED CHANGE	BSC P455 – On-site Aggregation as a Method to Facilitate Third Party Access
ANY OTHER DOCUMENTS / LINKS	 On-Site Aggregation Form

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18 GLOSSARY

TERM	DEFINITION
Balancing and Settlement Code	The Legal document setting out the rules for the operation and governance of the Balancing Mechanism and Imbalance Settlement.
Boundary Point	A point at which any Plant or Apparatus not forming part of the Total System is connected to the Total System.
Code	means this Retail Energy Code, including its REC Schedules and the Technical Specification.
Complex Site Validation Test	means the processes set out in Paragraph 20.15 of the Metering Operations Schedule.
Data Collector	means the person Appointed by an Electricity Supplier to collect and process meter readings for an RMP as further described in the Balancing and Settlement Code.
Half Hourly Data Collector (HHDC)	has the meaning given to that expression in the BSC.
Metering Equipment	means: (a) in relation to gas, all the components of a meter installation and ancillary equipment, as defined in IGEM/G/1 edition 2; or (b) in relation to electricity, means the equipment associated with a particular meter, including the meter itself and any related Current Transformer (CT) and/or Voltage Transformer (VT), communication and/or control equipment, as may be further defined in the BSC.
Metering Equipment Managers	means, as applicable, either: (a) for electricity, the 'Meter Operator Agent' (as defined in the BSC) Appointed by an Electricity Supplier; or (b) for gas, the 'Meter Asset Manager' (as defined in the UNC) Appointed by the Gas Supplier.
On-Site Aggregation	A new methodology for processing meter data to determine accurate Settlement volumes for Private Networks with a Third-Party Supply, based on the aggregation of data of Private Network sub-meters.
Private Network	means local electricity grids that are connected to the distribution network but connected to a privately owned generation plant that produces electricity and allows the network to operate a stand-alone supply and distribute electricity around commercial locations. These networks will be managed and maintained by a Private Network Operator.
Private Network Operator	[*BSC Definition*] is used to refer both to a license exempt supplier associated with a Private Network and an entity who owns and operates the Private Network.

TERM	DEFINITION
Sandbox Trial	This is an opportunity for innovators to run a trial for new products, services, or business models, where some rules have been temporarily removed, using a limited number of customers to test a viability of a model.