RETAIL ENERGY CODE

This document is classified as **WHITE**.
Information is for public, unrestricted dissemination, and publication.

| | |
|---|---|
| 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 | PRELIMINARY |
| DOCUMENT VERSION | 1.0 |
| ISSUED DATE | 22/03/2024 |
| DOCUMENT APPROVAL STATUS | PUBLISHED FOR CONSULTATION |

| | | | |
|---|---|---|---|
| RESPONSIBLE COMMITTEE | CHANGE PANEL | CHANGE PATH | SELF GOVERNANCE |
| PRIORITY STATUS | MEDIUM | URGENCY | STANDARD |

| | |
|---|---|
| DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS | 22/03/2024 |


**LEAD CHANGE ANALYST**



**James Hardy**

Click to send an email

020 3922 0757


### 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: |
| | Medium Impact:<br>Metering Equipment Managers |
| | Low Impact:<br>Consumers |

### CODE MANAGER'S RECOMMENDATION

The Code Manager recommends Change Proposal R0150 is **APPROVED** for implementation on 28 June 2024.

RETAIL ENERGY CODE

## CONTENTS


| | | |
|---|---|---|
| **BACKGROUND** | | |
| 1. | Summary | 3 |
| 2. | Problem Statement | 3 |
| 3. | User Stories | 3 |
| **PROPOSAL** | | |
| 4. | Summary of Analysis Undertaken | 4 |
| 5. | Proposed Solution | 4 |
| 6. | Draft Legal Text | 5 |
| 7. | Summary of Impact Assessment Activity | 5 |
| 8. | Delivery Against Change Proposal Plan | 5 |
| 9. | Key Risks, Assumptions, Issues and Dependencies | 5 |
| 10. | Proposed Implementation Date and Approach | 6 |
| 11. | Business Case Assessment | 6 |
| 12. | Case for Change | 7 |
| 13. | Code Manager's Recommendation | 7 |
| 14. | Consultation Plan and Next Steps | 7 |
| 15. | Appendix | 8 |
| 16. | Glossary | 8 |

RETAIL ENERGY CODE

# BACKGROUND

## 1 BACKGROUND

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.

## 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. |

## 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 the BSC, as the lead code of this cross-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 Sites 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 MHHS programme 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. Impacts are expected to be indirect and therefore impact the baseline text only but is dependent on a further review as noted in R0150.PCR.D001. |

## 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 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 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 will seek views from Suppliers, MEMs, and all other REC parties, again, through a consultation, which will be published along with this Preliminary Change Report.

## 8 DELIVERY AGAINST CHANGE PROPOSAL PLAN

As noted in Dependencies 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

| REF. | 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. | Ongoing |

| | | | |
|---|---|---|---|
| R0150.PCR.D001 | MHHS Drafting | As noted in section 5.1, the proposed solution impacts the MHHS design, due to the legal text changes to Schedule 14 – Metering Operations Schedule. These changes are expected to be indirect. Further engagement with the MHHS programme will occur prior to the publication of the Final Change Report (FCR). If any amendments are required to the legal text as a result of this engagement and the MHHS impact(s), this will be outlined in the FCR. | 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.

## 11 BUSINESS CASE ASSESSMENT

### 11.1 COSTS

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

### 11.2 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.<br>• 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.<br>• 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).<br><br>• This is an enabling change within a wider industry change to deliver On-Site Aggregation methodology within the BSC. |

### 11.3 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.

## 12 CASE FOR CHANGE

### 12.1 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; and
- 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.

## 13 CODE MANAGER'S RECOMMENDATION

Based upon the assessment made in Section 11 and 12 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.

## 14 CONSULTATION PLAN AND NEXT STEPS

The Consultation on this Preliminary Change Report for R0150 will be published on the REC Portal on **22 March 2024**, alongside this Preliminary Change Report, and closes on **16 April 2024.** This is timed to coincide as closely, and as appropriately, as possible with the consultation from the BSC on modification P455 to ensure that parties have a holistic understanding of the wider change.

Following Consultation, the Code Manager will produce an updated version of this Preliminary Change Report (referred to as the Final Change Report). This will include the outcome of the consultation, setting out a summary of the consultation submissions and the Code Manager's response.

The Final Change Report will be issued to the Metering Expert Panel (MEP) to make its determination at their meeting on 08 May 2024.

## 15 APPENDIX

| | |
|---|---|
| CHANGE PROPOSAL | Link |
| LEGAL DRAFTING | Link |
| RELATED CHANGE(S) | BSC P455 |
| ANY OTHER DOCUMENTS / LINKS | On-Site Aggregation Form |

## 16 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. |
| 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 in order to determine accurate Settlement volumes for Private Networks with a Third-Party Supply, based on the aggregation of data of Private Network sub-meters. |

| TERM | DEFINITION |
| --- | --- |
| Private Network | Also known as Private Wire Networks, these are 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 (PNO). |
| 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. |