RETAIL ENERGY CODE

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

# INITIAL ASSESSMENT REPORT

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

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

| | |
|---|---|
| DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS | 16/02/2024 |


**LEAD CHANGE ANALYST**

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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 sub-meters used in the on-site aggregation methodology.

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| | High Impact:<br>N/A |
| | Medium Impact:<br>Meter Equipment Managers |
| | Low Impact:<br>Consumers |

## 1 BACKGROUND

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 IMPACTS

| CONSUMERS | REC PARTIES AND SERVICE USERS | REC DOCUMENTS / PRODUCTS |
|---|---|---|
| Electricity | MEMs | Metering Operations Schedule (Schedule 14) |
| Microbusiness | Data Collectors | Interpretations and Definitions Schedule (Schedule 1) |
| Small and Medium Enterprise | | |

The majority of the legal text impacts will be seen within Schedule 14 – Metering Operations Schedule. However, due to limited reference to Private Networks within the REC, amendments may have to be made to Schedule 1 – Interpretations and Definitions Schedule.

## 5 CROSS CODE IMPACTS

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'. The BSC, rather than the REC is the lead code. As such our Change Proposal Plan, will have to align with that of the BSC.

The BSC is aiming for their modification to be implemented in their June 2024 release and are looking to issue their Final Modification Report to the Authority in February 2024.

You can find more information on the BSC Modification here: BSC P455 – On Site Aggregation as a method to facilitate Third Party Access'

## 6 PRIORITY STATUS AND URGENCY

| CHANGE PATH | SELF-GOVERNANCE |
|---|---|

| RESPONSIBLE COMMITTEE | METERING EXPERT PANEL |
|---|---|

We expect the change will impact metering operations and since metering operations are governed under Schedule 14 of the REC. The Code Manager has determined that the impacted documents come under the responsibility of the Metering Expert Panel, and therefore they should be the Responsible Sub-committee for making decisions on this change.

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## 7 PRIORITY STATUS AND URGENCY

| Category | Significance / Resource impacts / Urgency | Further selection / breakdown | Score (0-3) | Weighting | Weighted Score |
|---|---|---|---|---|---|
| **Impacts** | Consumer Impact | Direct | 1 | 25 | 25 |
| | Retail Markets Impact | Innovation and Market Arrangements | 1 | 15 | 15 |
| | RECCo / REC Party / REC Service Provider Impact | Operational Effectiveness and Efficiencies | 2 | 5 | 10 |
| | | Legal and Regulatory Compliance | 1 | 13 | 13 |
| **Resource** | Complexity / Effort / Duration | | 2 | 8 | 15 |
| **Strategic Alignment** | Contribution to/ Alignment with the objectives of the REC | | 2 | 15 | 15 |
| | Contribution to/ Alignment with RECCo's Forward Work Plan | | 0 | | 0 |
| **Urgency** *(The need to progress a change to meet a targeted date)* | | Other Planned Activity (High Priority activity) | 2 | 20 | 40 |
| | | | | Overall Priority Score (rounded) | 133 |

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| Priority Status | MEDIUM |
| Change Proposal Type | STANDARD |

This change has been determined as having a medium priority score of 133 and an urgency score of 2 due to this change being linked to a required timeline as part of the cross-code working requirements. The priority status is also driven by the need to progress the change to meet a targeted implementation date of June 2024 (set by the lead code) and recognised under the complexity/effort/duration, and urgency, score.

There will be a minor direct impact on the affected Consumers, and the changes will facilitate innovation and improved market arrangements for Consumers on private networks. However, since the number of Metering Points affected is likely to be low, then these impacts have been scored as a minor impact in each case.

As a change that enables Consumers on private networks to have access to increased competition in supply arrangements, this contributes to RECCo's Mission and REC objectives and has been scored as a moderate impact.

## 8 SUMMARY OF CHANGE PROPOSAL PLAN

As part of the cross-code Change, R0150 will be provided with a legal text solution following the conclusion of the BSC P455 workgroups.

Once the Change Plan R0150 has been published, there will be an extended Party Impact Assessment (PIA) totalling 18 WDs published on 15 December 2023. This PIA will fall over the Christmas Period and therefore will have an extended window and close on 15 January 2024.

The Preliminary Change Report will then be published on 16 February 2024 and will proceed directly to Consultation. The Consultation will last for 10WDs and close on 01 March 2024.

The Final Change Report will then be published on 28 March 2024 for Responsible Committee decision on 10 April 2024.

| | FROM | TO |
|---|---|---|
| SOLUTION ANALYSIS AND DEVELOPMENT | 28/06/2023 | 13/12/2023 |
| PARTY IMPACT ASSESSMENT | 15/12/2023 | 15/01/2024 |
| PRELIMINARY CHANGE REPORT AND CONSULTATION ISSUED | 16/02/2024 | 16/02/2024 |
| CONSULTATION | 16/02/2024 | 01/03/2024 |
| FINAL CHANGE REPORT ISSUED | 28/03/2024 | 28/03/2024 |
| RESPONSIBLE COMMITTEE DECISION | 10/04/2024 | 10/04/2024 |
| APPEAL WINDOW CLOSURE | 24/04/2024 | 24/04/2024 |

## 9 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. |
| 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. |