

CMP430/431

Workgroup 2 Monday 11 March 2024

Online Meeting via Teams

WELCOME



Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared - Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives



Objectives and Timeline

Deborah Spencer – ESO Code Administrator

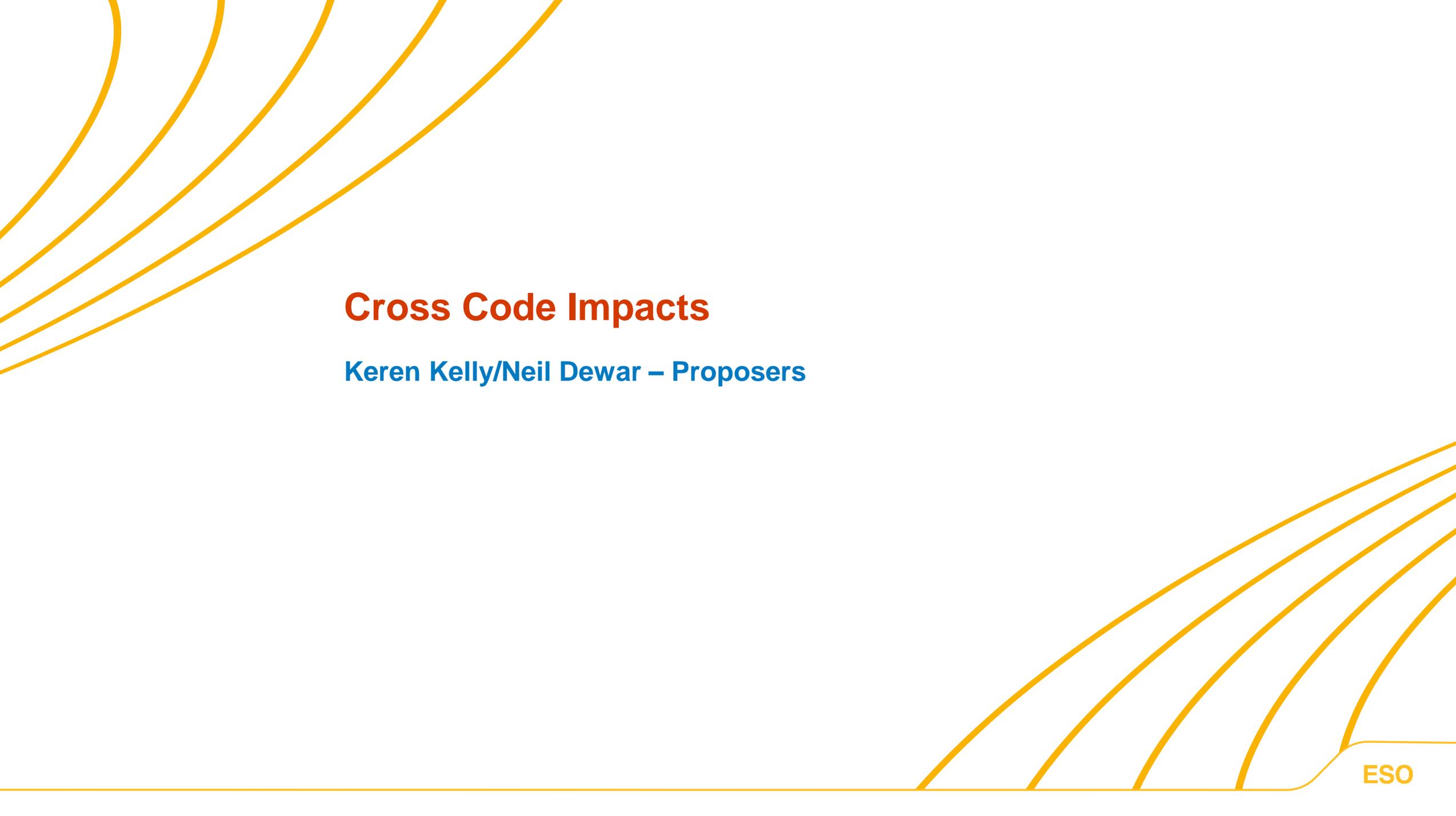


Objectives

- **Introductions**
- **Action Review**
- **Cross Code Impacts Review**
- **Scope of Proposal**
- **Solution update**
- **Considered Alternative Solutions Review**
- **AOB**
- **Next steps**

Actions Review

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
1	WG1	Proposer	To consider industry cross-code impacts		WG2	Open
2	WG1	Elexon	To provide data Mpans on the Authority points: -How many would be affected by baseline at the moment. -How many would change between charging methodologies. -How many would change under this proposal		WG2	Open



Cross Code Impacts

Keren Kelly/Neil Dewar – Proposers

Cross Code Interactions (1)

Balancing and Settlement Code (BSC)

- [Code drafting under MHHS Programme](#) governance to ensure that the baselined MHHS Target Operating Model (TOM) is reflected in the industry codes
- [P432 'Half Hourly Settlement for CT Advanced Metering Systems'](#)
 - Approved for implementation on 15 April 2024
 - Existing Current Transformer (CT) Advanced Meters settling Non-Half Hourly (NHH) are required to move using the Change of Measurement Class (CoMC) process to settle HH by MHHS Milestone M14
- [P434 'Half Hourly Settlement for UMS Metering Systems'](#)
 - Implemented on 14 December 2022
 - All existing Non-Half Hourly (NHH) Unmetered Supplies (UMS) Metering Systems are required to undergo a CoMC to complete before the Market Wide Half Hourly Settlement (MHHS) migration to the Target Operating Model by MHHS Milestone 11 M11

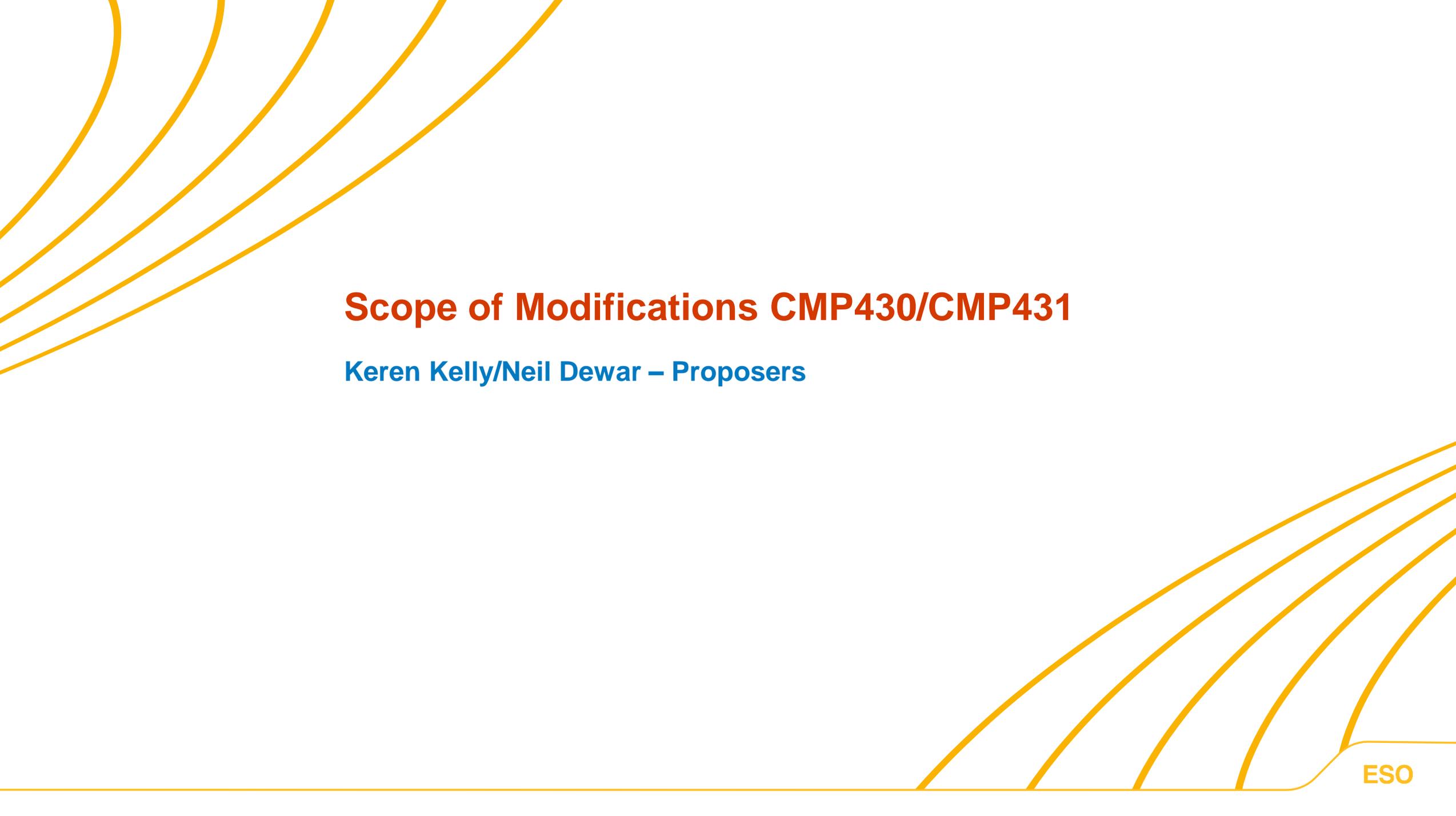
Cross Code Interactions (2)

Distribution Connection and Use of System Agreement (DCUSA)

- [DCP414 'Transitional Protection for NHH CT Customers affected by regulatory change'](#)
 - Approved for implementation on 01 April 2024
 - Provides transitional protection for NHH CT customers moving to Half-Hourly settlement and prevents penal excess capacity charges being applied to customers in any instance that the Maximum Import Capacity (MIC) is a zero value because there is no site-specific connection agreement in place between users and Distribution Network Operators.

Are there any other aspects of codes or code changes that we should be considering that the Workgroup are aware of?

> Recommend that cross code interactions are considered throughout the progression of the Modifications



Scope of Modifications CMP430/CMP431

Keren Kelly/Neil Dewar – Proposers

Scope of Modifications

CMP430 and CMP431 defects

There are three different elements to the defect. Without any action:

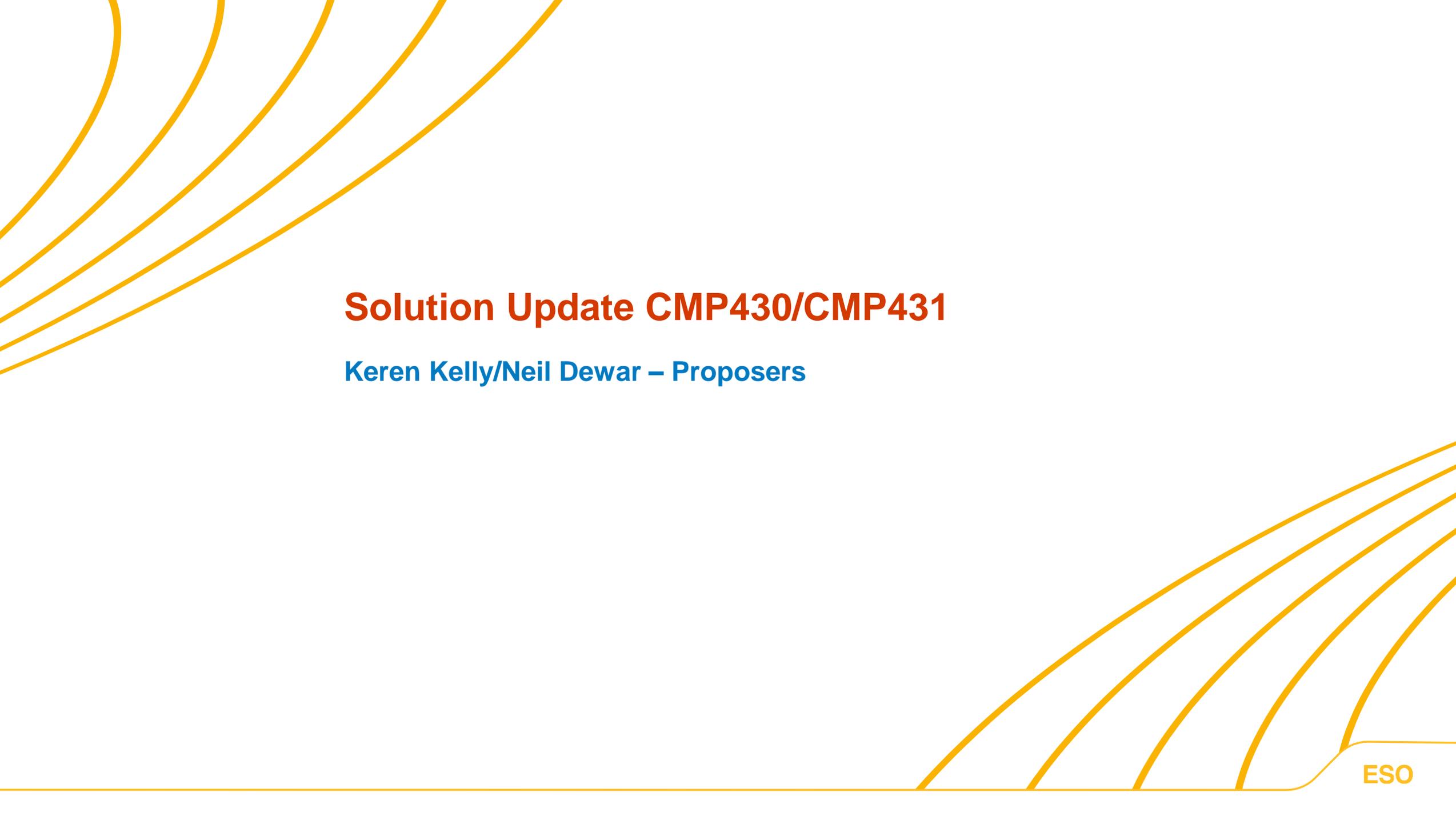
- a. Demand data cannot be segmented in a way that maintains the same application of TNUoS charging for all sites, once they have been migrated to the new MHHS arrangements
- b. The risk of double charging MPANs increases during MHHS Migration (April-25 to October-26) as sites move from legacy arrangements to the new MHHS arrangements
- c. Some definitions or terminology within the CUSC may be inconsistent with any solution introduced under this Modification and MHHS baselined design

CMP430 is seeking to address defects (a) and (b) but is co-dependent on the non-Charging Modification, CMP431, which will address defect (c). Similarly, CMP431 is co-dependent on CMP430.

The scope of these Modifications will be to address the defects highlighted.

ESO are not expecting there to be any changes to the CUSC through the suite of Authority-led Significant Code Review Modifications that are linked to MHHS Programme Milestones M6 (Code Changes Baselined) and M8 (Code Changes Delivered)

We note that changes to the settlement timetable following completion of MHHS Migration (end of 2026/early 2027) will likely require changes to the CUSC. Our current plans are for this to be managed under a separate Modification at a later stage of the MHHS baselined plan.



Solution Update CMP430/CMP431

Keren Kelly/Neil Dewar – Proposers

CUSC Defect - Recap

The CUSC does not define segmentation between half-hourly and non half-hourly using Measurement Class. However, Measurement Classes are used to describe data in different fields provided in the TUsS Report, or P0210.

- Measurement Classes are only referred to in CUSC (F and G) to describe special arrangements that are in place up to MHHS Milestone 15 to reduce the risk of a site being charged under both Triad and 4pm-7pm peak methodologies within the same Charging Year ('double charging').
- Double charging can occur when the settlement characteristics of a site cause it to move between the different demand locational methodologies at certain points in the Charging Year. Despite being settled half-hourly, the CUSC states that Measurement Classes F and G are treated as non half-hourly.
- Measurement Class as a data item will no longer exist in the new MHHS TOM and the CCC replacement is not identical and therefore cannot replicate the information the P0210 (TUsS File HH/NHH Split).
- There are three different elements to the defect. Without any action:
 - a) Demand data cannot be segmented in a way that maintains the same application of TNUoS charging for all sites, once they have been migrated to the new MHHS arrangements
 - b) The risk of double charging MPANs increases during MHHS Migration (April-25 to October-26) as sites move from legacy arrangements to the new MHHS arrangements
 - c) Some definitions or terminology within the CUSC may be inconsistent with any solution introduced under this Modification and MHHS baselined design

Charging Modification (CMP430) Proposed Solution

- ESO propose to amend CUSC to maintain the current charging methodologies and segment customers by the new MHHS data items that make up the P0210 report as a result of approval of Change Request (CR) 32 in the MHHS Programme.
- The proposed solution would mean that sites would be segmented between the two methodologies for Charging purposes, using the new MHHS Design Data items – i.e. Domestic and Connection Type Indicators, once they have been migrated. Connection Type Indicator is defined under Industry Standing Data (ISD): MHHS Entities Data Items as ISD Entity ID M2
- The proposal is to align the CUSC to the relevant Balancing and Settlement Code (BSC) Sections and definitions to state that:
 - Pre MHHS migration, a site will be charged under the existing arrangements; and
 - Post MHHS migration, a site will be charged based on logic derived from the Connection Type Indicator and Domestic Premise Indicator

- The following table sets out the detail of the proposed arrangements:

Domestic/Non Dom	Connection Type Indicator	Possible Charging Arrangements (Post Migration)	Current Arrangements (Measurement Class and Charging)
Domestic	All	4pm-7pm	A 4pm-7pm F 4pm-7pm C Triad
Non-Domestic	WC (Whole Current)	4pm-7pm	G 4pm-7pm A 4pm-7pm
	L (LV with Current Transformer)	Triad	C Triad E Triad A 4pm-7pm
	H (HV with Current Transformer)	Triad	C Triad E Triad A 4pm-7pm
	E (EHV with Current Transformer)	Triad	C Triad E Triad
	U (Unmetered)	Triad	D (all UMS will be moved from MC B pre-migration) Triad

Options for Legal Text for CMP430 and CMP431

Option 1 – Include text in CUSC to specify segmentation between charging methodologies, replicating some of what is outlined in the MHHS BSC legal text drafting

Option 2 – Only include updates to definitions to reference to MHHS BSC legal text drafting directly

Solution option progressed under CMP430 will impact CMP431 solution

We believe that new clauses and definitions will be required under Section 3 'Use of System' and Section 11 'Interpretations and Definitions' to ensure that the CUSC is fit for purpose for both non-migrated and migrated MPANs

Legal Text Option 1 (The How)

Link to BSC

- Link to MHHS BSC legal text drafting which is being developed under the MHHS Programme and will be implemented through the Settlement Reform Significant Code Review (SCR). This will be based-lined under MHHS governance before the SCR Modifications are raised.
- BSC Code Mop Up Consultation 2 [BSC – Annex S-3](#) 11.4.8 (*note drafting is not aligned to the MHHS design and ESO will be feeding back for this to be updated as part of the consultation)
- Replicate in CUSC and identify how Measurement Class will be treated in new arrangements (Similar Clause style), clarifying segmentation of sites between demand locational methodologies pre and post MHHS migration
- Add new definitions of Measurement Class and Connection Type to Section 11

Benefits and Risks of Option 1

Benefits

- This approach would provide clarity to CUSC Parties and Suppliers on how MPANs would be treated during the Migration phase and potentially beyond.
- It would align the CUSC and BSC in treatment of Measurement Classes and Connection Types
- The revised Consumption Component Class (CCC) data item will be attributed to all the P0210 report to be correctly specified and developed by Elexon - in line with CR32.

Risks

- As the BSC and CUSC would be interlinked, any future changes in one Code would require changes in the other

Legal Text Option 2 (The How)

Directly reference to BSC

- Only include updates to definitions to reference to MHHS BSC legal text drafting directly
- Potentially no CUSC Section 14 Changes but will result in Non Charging Modification amendments to Section 11 to add new definitions to CUSC to reference Measurement Classes and Connection Type and associate with different Charging Methodologies

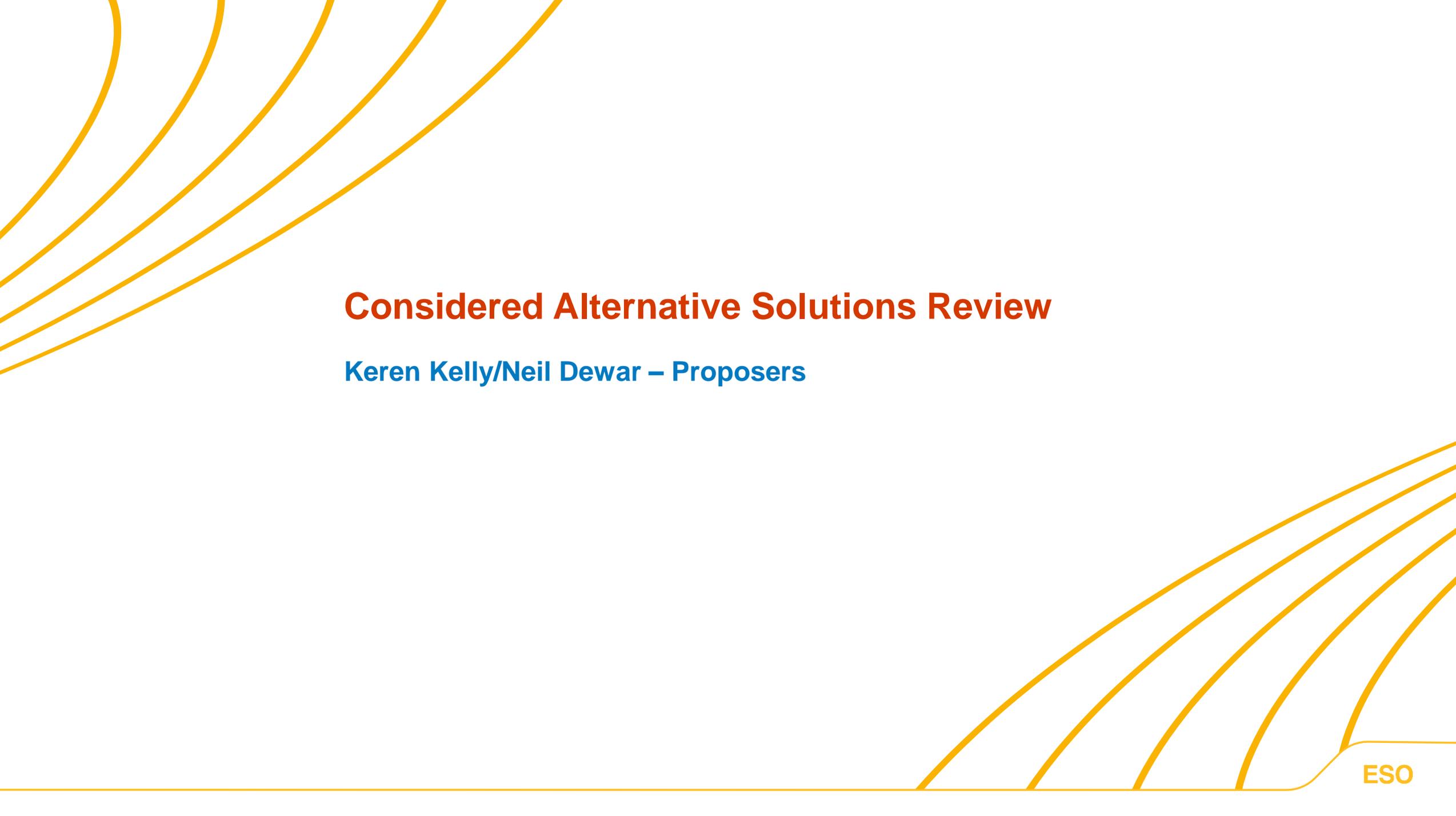
Benefits and Risks of Solution 2

Benefits

- Minimal impact on CUSC

Risks

- Not particularly transparent in terms of how MPANs would be treated
- Users would have to refer to BSC for segmentation information



Considered Alternative Solutions Review

Keren Kelly/Neil Dewar – Proposers

Alternative solutions considered – WG Discussion (1)

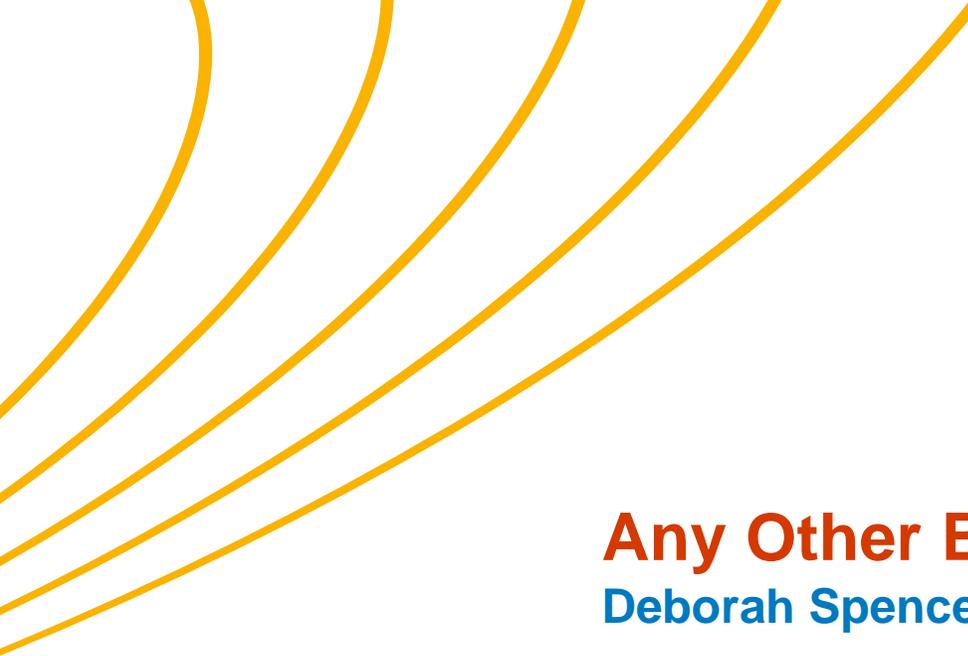
Description	Rationale	WG Support for a WACM ?	Reasons	Who is going to raise WACM?
Do nothing	<ul style="list-style-type: none"> All sites would eventually move to the triad methodology across migration which is not desirable for domestic consumers. Instances of double charging would significantly increase as all non-half hourly settled portfolio would move to half hourly settled during migration. 	Yes / No ?		
Move all sites to the 4-7pm peak methodology from the start of Migration	<ul style="list-style-type: none"> Those currently charged on Triad methodology would incur a greater proportion of the cost than they do now. The opportunity of managing demand around Triads would be removed and complexity would be introduced to the solution if certain types of site were exempt and remained on Triad arrangements. Risk of double charging would be removed as sites would not move between different methodologies. 	Yes / No ?		

Alternative solutions considered – WG Discussion (2)

Description	Rationale	WG Support for a WACM ?	Reasons	Who is going to raise WACM?
Reintroduce Measurement Class as a data item to MHHS TOM	<ul style="list-style-type: none"> • Significant additional cost and delay would be introduced to MHHS Programme (at estimated £90m p/a cost to industry). • In direct conflict with design principles for the MHHS TOM and Ofgem design decision. • Rationale for removal of Measurement Class still valid, and reintroduction would be for charging purposes only. • MHHS Change Request would be required which would be unlikely to be approved. 	Yes / No ?		
Elexon introduce consumption monitoring process to recreate segmentation by existing Measurement Class descriptions	<ul style="list-style-type: none"> • Significant additional cost and delay would be introduced to MHHS Programme (at estimated £90m p/a cost to industry). • Creation of new process to monitor half hourly data for 30 million sites would be significant undertaking for a limited duration • MHHS Change Request and possible BSC Modification would be required. Progression of the Modification would be dependent on approval of the CR which would be unlikely. 	Yes / No ?		

Alternative solutions considered – WG Discussion (3)

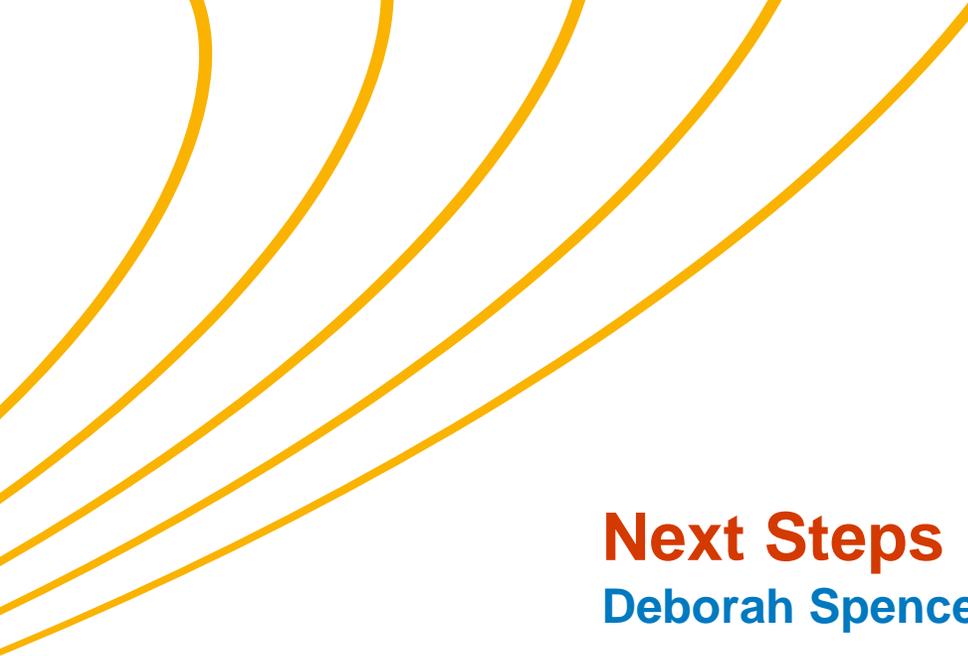
Description	Rationale	WG Support for a WACM ?	Reasons	Who is going to raise WACM?
Obligate Distribution Network Operators (DNOs) to provide data rather than Elexon	<ul style="list-style-type: none"> Any data provided by DNOs would require significant IT solution to manipulate to transform it to appropriate level for TNUoS charging. Meter-level data would require distribution losses and group correction factor to be applied. MHHS Change Request and possible BSC Modification would be required. Progression of the Modification would be dependent on approval of the CR which would be unlikely. Creation of new process would be significant undertaking for a limited duration. 	Yes / No ?		
Remove NHH References from CUSC from April 2025	<ul style="list-style-type: none"> At the start of Migration, all sites move would be subject to the triad methodology which would not be desirable for domestic consumers. Risk of double charging would be removed as sites would not move between different methodologies. 	Yes / No ?		



Any Other Business

Deborah Spencer – ESO Code Administrator

- **Workgroup 3 – Wednesday 13 March (10 – 1.30) ?**
- **Shared Area for Legal Text Review**



Next Steps

Deborah Spencer – ESO Code Administrator

Timeline for CMP430 – Updated after CUSC Panel (23 February 2024)

Milestone	Date	Milestone	Date
Modification presented to Panel	23 February 2024	Code Administrator Consultation (6 working days)	10 June 2024 to 14 June 2024
Workgroup Nominations (4 Working Days)	23 February 2024 to 29 February 2024	Draft Final Modification Report (DFMR) issued to Panel (4 working days)	24 June 2024
Ofgem grant Urgency	29 February 2024 (5pm)	Panel undertake DFMR recommendation vote	28 June 2024
Workgroup 1 to 7 (assuming Ofgem have granted Urgency)	06 March 2024 11 March 2024 13 March 2024 19 March 2024 28 March 2024 05 April 2024 15 April 2024	Final Modification Report issued to Panel to check votes recorded correctly	28 June 2024
Workgroup Consultation (5 working days)	17 April 2024 – 24 April 2024	Final Modification Report issued to Ofgem	28 June 2024
Workgroup 8 to 14 - Assess Workgroup Consultation Responses and Workgroup Vote	29 April 2024 03 May 2024 08 May 2024 13 May 2024 20 May 2024 24 May 2024 30 May 2024	Ofgem decision	30 September 2024
Workgroup Report issued to CUSC dot box	03 June 2024	Implementation Date	01 April 2025
Workgroup Report presented to Special Panel (Panel agree Workgroup report has met its Terms of Reference)	07 June 2024		