RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	Final Recommendation

CHANGE REPORT

I0194 - CSS CHANGE TO ALLOW PREVENT OF REGISTRATION BY MARKET SEGMENT

DOCUMENT VERSION	1.0
PROPOSED IMPLEMENTATION DATE	TBC
IMPLEMENTATION APPROACH	TBC

RESPONSIBLE COMMITTEE	TECHNICAL EXPERT PANEL	CHANGE PATH	SELF-GOVERNANCE
PRIORITY STATUS	LOW	URGENCY	STANDARD
IMPACTED STAKEHOLDERS	ELECTRICITY SUPPLIERS, CSS PROVIDER, ERDS PROVIDER		

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OVERVIEW

This change seeks to prevent an Electricity Supplier, with an approved Qualification exemption in place for Smart and/or Unmetered Supplies Market Segments, from registering Market-wide Half Hourly Settlement (MHHS) Metering Points other than those that they are qualified in.

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BACKGROUND

1 SUMMARY

Under the new MHHS arrangements, Electricity Suppliers will be able to seek an exemption from Qualification in the Smart or Unmetered Market Segments. Exemptions will be managed by the Performance Assurance Board (PAB) for the Balancing and Settlement Code (BSC) and the Retail Energy Code (REC). Currently there are no system restrictions that would stop a Supplier registering, in error, a meter point in a Market Segment for which they are not qualified. This issue has been raised to identify a technical solution that will ensure that such registrations cannot be progressed.

The Proposer has suggested a high-level solution within the Central Switching Service (CSS), where a list of qualified Electricity Suppliers is maintained by Market Segment type and only those Suppliers can register meter points for the relevant segment/s. This would prevent Suppliers not qualified to supply in the Smart or Unmetered Market Segments from breaching their qualification conditions. Without a technical solution to restrict registrations, monitoring would be required to ensure no registrations have taken place in error.

The Code Manager has started working with REC Service Providers to explore the requirements and possible technical solutions, initially focussing on CSS, but also to understand the Market Segment reference sources for the data and logic required in CSS.

2 PROBLEM STATEMENT

Suppliers who do not operate, or intend to operate, in the Smart or Unmetered Market Segments, will be seeking exemptions from the relevant MHHS Qualification requirements. At present, there is no mechanism in CSS to prevent Suppliers from registering Metering Points for which an exemption has been granted and for which they are therefore not qualified.

3 IMPACTS

CONSUMERS
Electricity

REC SERVICE PROVIDERS
CSS Provider
Electricity Retail Data Service (ERDS) Providers

RECCO / REC CODE MANAGER
REC Performance Assurance

REC PARTIES AND SERVICE USERS
Electricity Suppliers
CSS Users

REC DOCUMENTS / PRODUCTS
Switching related REC documents and specifications
Registration related REC documents and specifications

MHHS DESIGN	MHHS DATA SPECIFICATION	MHHS CODE DRAFTING
TBC - This change supports the MHHS Design and Qualification by Market Segment, however until the solution is better understood direct impacts to the design cannot be confirmed	TBC –Until the solution is better understood this cannot be confirmed	TBC - Until the solution is better understood this cannot be confirmed

The purpose of this change is to provide a system-based restriction to protect Electricity Consumers from Suppliers registering Metering Points for which they are not qualified.

This change applies to Switches for MHHS Migrated Metering Points only. Suppliers will not be able to register a Metering Point which is in a Market Segment, introduced by MHHS, for which they have a Qualification exemption from the BSC and the REC.

CSS is expected to be the system where any technical restriction is put in place to resolve the problem statement. CSS does not currently hold data on Market Segments, therefore impacts are expected on other services and systems to source and share the required data. If the solution developed results in impacts to the MHHS design, data specification or code drafting, the Code Manager will revisit whether this should change to an Authority determined decision due to the impact on the Electricity Settlement Reform Significant Code Review.

The business case for progressing a solution for this change will be heavily reliant on the balance between the cost of a technical solution against the Consumer risk, plus costs for manual monitoring. In the absence of preventative controls in CSS, there will be monitoring and follow-ups required to ensure Parties are operating only in Market Segments they are qualified for, thereby having an impact on REC Performance Assurance operations.

4 CROSS CODE IMPACTS

Currently with the Authority for decision, BSC Modification P476 - Exemption from MHHS Requirements for SMS Supplier Qualification under the BSC seeks to allow the BSC Performance Assurance Board to have the authority to exempt Suppliers from Smart Segment Qualification obligations. This would allow a Supplier, that does not have the system, processes or controls in place to meet Qualification obligations to operate in the Advanced Market Segment only without incurring costs associated to Design, Test and Build for a Market Segment they will not operate in.

The MHHS Qualification Assessment Document, which programme participants will submit as part MHHS Qualification will reflect the option of an exemption once the BSC Modification is approved. Further information on MHHS Qualification, including the Qualification Approach & Plan can be found on the Qualification specific MHHS Programme website pages.

Discussions between the MHHS Qualification teams (REC and BSC) and the MHHS Programme have confirmed that exemption governance, and implementation of P476, is not

reliant on a CSS solution. The CSS solution for the system to apply a restriction, is a supporting change to avoid the risk of a Supplier registering an MHHS Metering Point for which they are not qualified.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**01-Oct-24**	**28-Feb-25**
	Solution Development	October	January
	Impact Assessment	January	February

6 STAKEHOLDER ENGAGEMENT

This issue has been discussed at technical workshops with REC Service Providers during October and November 2024. The Code Manager has engaged with the Proposer, Elexon and REC MHHS stakeholders during initial assessment and will continue to do so throughout solution development.

Industry will be more widely engaged with via the REC Change Issues Group.

The Code Manager proposes that the Responsible Committee for this change is the Technical Expert Panel given the technical focus of the solution being sought. It is recognised however that the change is supporting Qualification arrangements and that related Performance Assurance processes will also need to be considered. Therefore, the REC PAB will also be engaged during the change process.

MHHS Stakeholders will also be kept up to date on progress of this change via the Cross Code Advisory Group (CCAG) Horizon Scanning process.

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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	Indirect	1	27	27
	Retail Markets Impact	Innovation and Market Arrangements	1	17	17
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	2	7	13
		Legal and Regulatory Compliance	0	14	0
Resource	Complexity / Effort / Duration		2	9	18
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	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	0	10	0
				Overall Priority Score (rounded)	83

Priority Status	LOW
Change Proposal Type	STANDARD

8 KEY RISKS ISSUES ASSUMPTIONS AND DEPENDENCIES

8.1 RISKS AND ISSUES

No risks or issues have been identified at this stage.

8.2 ASSUMPTIONS AND DEPENDENCIES

NO.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
I0194.A001	The management of qualification exemptions is out of scope of this Issue	Governance of exemptions from BSC qualification under the BSC PAB is being put in place via P476 Governance of exemptions from REC qualification will be managed via the existing derogations process under the REC PAB	Closed – confirmed by the Code Bodies prior to Issue being raised
I0194.A002	There is no dependency for BSC Modification P476 on I0194	Discussions between the MHHS Qualification teams (REC and BSC) and the MHHS programme have confirmed that exemption governance, and implementation of P476, is not reliant on a CSS solution The CSS solution, for the system to apply a restriction, is	Closed

		a supporting change to avoid the risk of a Supplier registering an MHHS Metering Point for which they are not qualified	

No dependencies have been identified at this stage.

9 APPENDIX

CHANGE PROPOSAL	Link
RELATED CHANGE(S)	BSC Modification P476 - Exemption from MHHS Requirements for SMS Supplier Qualification under the BSC
[ANY OTHER DOCUMENTS / LINKS]	Qualification specific MHHS Programme website pages

10 GLOSSARY

TERM	DEFINITION
Balancing and Settlement Code (BSC)	means the Balancing and Settlement Code, as defined in the Electricity Supply Licences.
Central Switching Service (CSS)	means the Systems and processes provided or procured by the CSS Provider for the purpose of providing the Address Management Service and the Registration Service.
Electricity Retail Data Service (ERDS)	means the electricity registration services provided under this Code to support the provision of electricity retail data to the CSS and other services.
Market Segment	means a Smart Market Segment, Advanced Market Segment or Unmetered Market Segment as defined in the BSC.
Metering Point	has the meaning given to it in the Electricity Distribution Licence, which for the time being means: “the point, determined according to the principles and guidance given in the MRA Transition Schedule to the Retail Energy Code, at which a supply of electricity taken into or conveyed from the licensee’s Distribution System: (a) is or is intended to be measured; or (b) where Metering Equipment has been removed, was or was intended to be measured; or (c) in the case of an Unmetered Supply, is treated as measured.”
MHHS Qualification	has the meaning given to that expression in section C12 of the BSC. "MHHS Qualified” and similar expressions shall be interpreted accordingly.