UNC UIG Workgroup

Xoserve Draft UNC Modifications – Phase 2

29 April 2019

Background

- A number of Xoserve recommendations to address UIG causes would require UNC Mods
- First phase of Mods were identified at 28 January UIG (Task Force Findings) Workgroup and drafted by Xoserve – all have now been raised or adopted by Shippers
- Xoserve presented recommendations for Issue 3.2.5 (Out of Date AQs) at 8 April Workgroup
- Xoserve has drafted Modifications and published them on the UIG page of Xoserve.com
- These slides summarise the Mods in the format of a Mod Panel briefing to aid understanding

Contents

- List of Draft UNC Mods
  - ModXXX Amend Must Read Obligation for Smaller Supply Points
  - ModXXX Change Maximum Meter Read Frequency to 6 monthly

SECTION 1

Amend Must Read Obligation For Smaller Supply Points

Why change?

- UIG Task Force identified 770,000 NDM (Class 3 or 4) sites have not had a meter reading loaded since Project Nexus Go Live (**Issue #3.2.5**) and therefore no AQ calculation

- Also highlighted that the longer the interval since last AQ calculation, the greater the volatility of AQ

- Total AQ of these sites is 14bn kWh, 3.1% of total NDM LDZ AQ

- Inaccurate AQs will contribute to daily UIG until meter reads are accepted and reconciliation takes place

- Must Read trigger (M5.10.1) is currently 4 months for Monthly Read and 24 months for Annually Read

- Although CDSP generates pre-Notifications for SSP sites there is no fall-back process to obtain meter readings where the Shipper has not met the obligation as the DNs do not carry out Must Reads for SSPs

Options

- Enhanced PAC monitoring – PAC reports already include % of sites with no meter readings for 1, 2, 3 and 4 years

- Incentive mechanisms are under discussion, e.g. Mod 0672 (Class 4) and Mod 0664 (Class 2 and 3)

- Widen meter read tolerances to allow more reads to load

- Request DNs to undertake SSP Must Reads – have stated that they have no capacity

- **Recommended option:** reduction in Must Read trigger period and/or CDSP operating a "fall-back process" would reduce the number and duration of instances of NDM sites with no valid read

Solution

- Suggested measures to improve meter read submission rates for Smaller Supply Points (AQ <73,200 kWh)

  A. Reduce trigger period for a must read to 15 Months for Annually read sites – currently 24 months

  B. Transfer obligation to CDSP to obtain a reading – CDSP would establish contracts to obtain readings

  C. Include a phased programme to obtain all overdue readings at implementation over [12] months

Recommended Steps

- Xoserve has drafted a suggested Mod – to be published on Xoserve UIG page (under Findings and Recommendations)

- A UNC party would need to sponsor and raise the Mod

- Sponsoring party could amend the proposal prior to submission

- Xoserve can support the discussions at Mod Panel, Workgroups etc.

SECTION 2

Change maximum Meter Read Frequency to 6 monthly

Why change?

- UIG Task Force highlighted that the longer the interval since last AQ calculation, the greater the volatility of AQ (**Issue #3.2.5**)

- As at March 2019 over 2m Class 4 sites had not had a read accepted on UK Link for over 15 months – total AQ 25bn kWh

- This adds considerable risk to UIG – incorrect AQs and delays to meter point reconciliation

- Over 7m Class 4 sites are flagged as Smart/AMR – should already be submitting monthly reads (Mod 0638V)

- Majority of sites are Annually Read however over 80% are achieving 2 reads per annum – indicates that a 6 Monthly read frequency is achievable

Options

- PAC to monitor performance against existing Annual MRF and consider measures to improve compliance
- Possible linkage to Xoserve's other proposed Modification (SSP Must Reads)
- Encourage movement of sites to 6 monthly MRF on a voluntary basis and issue Must Read Pre-notes after [9] months
- Introduce an incentive scheme which rewards more frequent read submission for Annually read sites – funded by Shippers with lower submission levels
- **Recommended option**: amend UNC to make the maximum permitted MRF 6 Monthly, and amend Must Read provisions to align, e.g. 9 or 12 months

Solution

- Suggested solution is to amend UNC to make the maximum Meter Read Frequency 6 Monthly

- Amend the Class 4 Must Read trigger to align e.g. to [9] months since last read

- Upon implementation, automate the update of all remaining Annual sites to 6 Monthly within CDSP systems [after a grace period to allow Shipper updates] – removes workload from Shippers

Recommended Steps

- Xoserve has drafted a suggested Mod – published on Xoserve UIG page (under Findings and Recommendations)

- A UNC party would need to sponsor and formally raise the Mod

- Sponsoring party could amend the proposal prior to submission

- Xoserve can support the discussions at Mod Panel, Workgroups etc.