DSC Change Proposal Document

Customers to fill out all of the information in the sections coloured

Xoserve to fill out all of the information in the sections coloured

# A1: General Details

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Change Reference: | XRN5299 | | | |
| Change Title: | Future Billing Methodology (analysis only) | | | |
| Date Raised: | 02/12/2020 | | | |
| Sponsor Representative Details: | Organisation: | Cadent | | |
| Name: | James Whitmore | | |
| Email: | james.whitmore3@cadentgas.com | | |
| Telephone: | 07970937925 | | |
| Xoserve Representative Details: | Name: | Victoria Mustard | | |
| Email: | victoria.mustard1@xoserve.com | | |
| Telephone: | 07519605322 | | |
| Business Owner: | TBC | | |
| Change Status: | ☐ Proposal | | ☐ With DSG | ☐ Out for Review |
| ☐ Voting | | ☐ Approved | ☐ Rejected |

# A2: Impacted Parties

|  |  |  |
| --- | --- | --- |
| Customer Class(es): | Shipper | ☐ Distribution Network Operator |
| NG Transmission | IGT |
| ☐ All | ☐ Other [<If [Other] please provide details here>] |
| Justification for Customer Class(es) selection | The existing UK-Link Energy Balancing, Capacity, meter point allocation, reconciliation, invoicing and, their associated business processes will be impacted. | |

# A3: Proposer Requirements / Final Change

|  |  |  |
| --- | --- | --- |
| Problem Statement: | Cadent’s continued work on its Future Billing Methodology (FBM) Project now requires Xoserve to undertake a re-assessment of the further defined conceptual requirements. The options require further assessment to determine the best approach and measures to unlock potential to de-carbonise heat using existing gas networks.  Cadent (and the other DNs) recognise elements of this project will impact Xoserve systems and business processes. There are three solution options that Xoserve is required to re-assess:  • **Pragmatic solution -** (discrete CV Zones within LDZs for embedded entry points such as existing and new biomethane sites, and other potential embedded supplies such as BioSNG, Hydrogen Blend and Shale Gas) –envisaged between 500 – 1,500 “island” CV zones across the DNs’ 13 LDZs.  • **Composite solution -** (CV zones for each and every input point to the LDZ, so each LDZ broken down into “x” number of CV zones) – it is expected that up to 10,000 CV zones in total across the 13 LDZs, to effectively manage universal attribution of CV from each input source to Supply Meter points designated to each CV zone. This anticipates the need for within-LDZ CV measurement points to provide greater granularity of CV attribution.  • **Ideal solution –** As for Composite, but with attribution of CV data from CV measurement points to smart meters via DCC. – It is recognised that the additional data items and channels would potentially involve a number of changes outside the Nexus billing system, but CV would be attributed via approx. 44,000 CV measurement points across DN networks to Supply Meter point data via DCC, as for smart meter reads, as distinct from X-ref tables within the billing system. The concept here is that the data flows in this arrangement would provide an evolutionary precursor to actual CV measurement at the smart meter itself. We would expect that the Ideal solution would only be achievable in the  longer term.  Key questions to be considered in providing an initial assessment of the conceptual solutions and identifying costs are;   * If LDZs were sub-divided into CV zones how would Xoserve systems, processes and data be impacted? * What would be the most efficient process to support a daily CV   regime linkage to reconciliation, settlement and invoicing   * Would it be cost effective to “evolve” between solutions over   time, or to go straight to Composite? (Bearing in mind that Ideal   * would be a longer-term solution) | |
| Change Description: | As per the attached Cadent document:  [CADENT NIC04 - FBM CHANGES FOR XOSERVE](https://umbraco.xoserve.com/media/41675/5299-embedded-document.pdf)  Note: Xoserve has previously provided XRN4323 (July 2017) that provided an initial high-level cost estimate. It might be beneficial to use this as a basis for XRN5299. | |
| Proposed Release: | Not applicable – assessment of costs and development timescales only  **Note:** The high-level cost assessment is required for the purpose of informing Ofgem in Cadent’s March ’21 Stage Gate report (SG1 Report). Therefore, the costs are required, at the latest by 17th February ’21. | |
| Proposed Consultation Period: | ☐ 10 Working Days | ☐ 15 Working Days |
| ☐ 20 Working Days | ☐ Other [TBC] |

# A4: Benefits and Justification

|  |  |
| --- | --- |
| Benefit Description: | The primary driver for the FBM Project is to identify a robust, cost-effective option to support the decarbonisation of heat to help meet the UK’s 2050 emissions target.  The aim is to achieve this using Great Britain’s existing gas distribution networks to transport renewable and other low carbon gases without the need for enrichment with fossil-based gases to standardise its energy content (calorific value or CV) for billing purposes. |
| *What, if any, are the tangible benefits of introducing this change? What, if any, are the intangible benefits of introducing this change?* |
| Benefit Realisation: | The identification of a robust and sustainable solution will afford the DNs with the opportunity to meet their carbon Net Zero ambitions in the event of solution implementation. |
| *When are the benefits of the change likely to be realised?* |
| Benefit Dependencies: | Changes to the existing Statutory and Regulatory obligations e.g. The Thermal Energy Regulations, GS(M)R, UNC. |
| *Please detail any dependencies that would be outside the scope of the change, this could be reliance on another delivery, reliance on some other event that the projects has not got direct control of.* |

# A5: Final Delivery Sub-Group (DSG) Recommendations – Removed (see Section C for DSG recommendations)

# A6: Service Lines and Funding

|  |  |  |  |
| --- | --- | --- | --- |
| Service Line(s) Impacted - New or existing | tbc | | |
| Level of Impact | Major ~~/ Minor/ Unclear/ None~~ | | |
| If None please give justification |  | | |
| Impacts on UK Link Manual/ Data Permissions Matrix |  | | |
| Level of Impact | ~~Major/ Minor/~~ Unclear/ ~~None~~ | | |
| If None please give justification |  | | |
| Funding Classes  : | Customer Classes/ Funding | Delivery of Change | On-going Budget Amendment |
| Shipper | XX % | XX % |
| National Grid Transmission | XX % | XX % |
| Distribution Network Operator | XX % | XX % |
| ☐ IGT | XX % | XX % |
| ☐ Other <please specify> | XX % | XX % |
| ROM or funding details: | To be funded through DSC budget investment lines | | |
| Funding Comments: |  | | |

# A7: ChMC Recommendation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Change Status: | ☐ Approve | ☐ Reject | | ☐ Defer |
| Industry Consultation: | ☐ 10 Working Days | | ☐ 15 Working Days | |
| ☐ 20 Working Days | | ☐ Other [Specify Here] | |
| Expected date of receipt for responses (to Xoserve) | XX/XX/XXXX | | | |

|  |  |  |
| --- | --- | --- |
| DSC Consultation Issue: | ☐ Yes | ☐ No |
| Date Issued: | Click here to enter a date. | |
| Comms Ref(s): |  | |
| Number of Responses: |  | |

# A8: DSC Voting Outcome

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Solution Voting: | Shipper | | | Please select. |
| National Grid Transmission | | | Please select. |
| Distribution Network Operator | | | Please select. |
| ☐ IGT | | | Please select. |
| Meeting Date: | Click here to enter a date. | | | |
| Release Date: | Release: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY or NA | | | |
| Overall Outcome: | ☐ No | ☐ Yes | If [Yes] please specify <Release> | |

Please send the completed forms to: [box.xoserve.portfoliooffice@xoserve.com](mailto:box.xoserve.portfoliooffice@xoserve.com)

Version Control

# Document

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Version | Status | Date | Author(s) | Remarks |
| 1.1 | Updated | 22/12/20 | Steve Pownall | redrafted |

# Template

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Version | Status | Date | Author(s) | Remarks |
| 3.0 | Superseded | 17/07/2018 | Emma Smith | Template approved at ChMC on 11th July 2018 |
| 4.0 | Superseded | 07/09/2018 | Emma Smith | Minor wording amendments and additional customer group impact within Appendix 1 |
| 5.0 | Superseded | 10/12/2018 | Heather Spensley | Template moved to new Word template as part of Corporate Identity changes. |
| 6.0 | Approved | 12/12/2018 | Simon Harris | Cosmetic changes made. Approved at ChMC on the 12th December 2018. |
| 6.1 | In Draft | 26/03/2019 | Richard Johnson/ Alison Cross | The following minor changes were made:   * Inclusion of an All ‘Impacted Parties’ option in A2 * Justification section added to section A2 * Change Description replaced with Problem Statement in section A3 * Remove ‘X’ in Release information (sections A3, A5, A7, C1 and G8) * Updated Service Line and UK Link impacts and funding section (A6) to include further detail * Amended questions 3 and 4 in section B * Added Service Line/UK link Assessment in section D * Removed Section A5 |
| 6.2 | For approval | 14/05/2019 | Alison Cross | Following review at DSC Governance review group re-added Change Description text box |
| 7.0 | Approved | 13/06/2019 | Richard Johnson | DSC Governance Review Group changes to the template approved at Change Management Committee on 12th June 2019 |