

Post-consultation Licence Lite meeting with Code Administrators

11 December 2014

Attending: Andy Knowles and Stephanie Catwell (Gemserv), James Priestley and Ed Morris (Elexon), James Luger, Nigel Nash, Kate Thompson and Jenny Mills (Ofgem)

1. Detail on the information used for Code compliance that will need to be exchanged between the Licence Lite supplier and TPLS

The Licence Lite supplier wouldn't have access to ECOES and may wish to negotiate access to ECOES information with its TPLS.

Credit cover arrangements are largely undisturbed because this is calculated by Party ID rather than MPID; this only becomes an issue if the Licence Lite supplier contracts with significantly more customers than expected, as this would affect the level of credit required from their TPLS.

Code administrators will both charge and reimburse TPLSs for system charges; whether / how these costs are passed through to the Licence Lite supplier will be part of the SSA negotiations.

The metering performance assurance obligations will fall to the TPLS, even in the event the Licence Lite supplier has appointed its own metering agents.

Despite not being a code signatory, a Licence Lite supplier could request access to ECOES if (for some unforeseen reason) it wanted to see information relating to its MPID.

2. Code compliance milestones we could usefully include in the applicant's 'journey'

MPID creation takes a maximum of two months. Customers can be registered as soon as the MPID is established.

3. Code Admin availability to engage with applicants

Gemserv can provide clarity on MRA processes, and is likely to create guidance for both Licence Lite suppliers and TPLSs.

Elexon will train internal staff in Licence Lite and can advise on any queries that aren't more suited to Ofgem or National Grid.

Prospective Licence Lite suppliers and TPLSs can approach either Code Admin for advice at any point, as long as it's regarding points of process rather than commercial terms.

4. 'Related party' functionality regarding embedded benefits

Licence Lite suppliers cannot register for embedded benefits as they are managed by BMU. Any reimbursement would have to be covered in the SSA. Neither Code Admin recognises the concept of a 'related party' in this context.

Addendum: this seems to be a reference to Cornwall Energy's "Local energy trading and the BSC" paper, which clarifies that this would be a new type of party requiring a change under Section A of the BSC.

5. The point in the system at which the EMR Settlements Company captures a supplier's market share

The EMR Settlements Company determines market shares via MPANs, likely aggregated up to supply level. It's not currently possible to flag individual MPANs within that aggregation. This means that although EMR obligations will sit with the Licence Lite supplier, the TPLS will receive the bill.

Ofgem can clarify this in the revised guidance. There may also be benefits to finding a way to officially notify the EMR Settlements Company that the Licence Lite supplier is the obligated party;

Ofgem and James/Ed to investigate.

6. Whether MPIDs / BMUs will need to be declared before Licence Lite suppliers can begin operating

Neither Code Admin could see a governance reason for this to be required. It was potentially suggested due to confusion regarding who owns the MPID. It is possible to move MPIDs between suppliers; including this provision in the SSA would avoid the need to pursue a change of supplier process in the event of the Licence Lite supplier changing its TPLS.

7. Whether the Licence Lite supplier's MPID would be stored in the MPAS along with or instead of the TPLS' MPID

The Licence Lite supplier's MPID would be stored instead of the TPLS', identified in the file header and footer of the source DTC flow.

8. The significance of an MPID's role code

A supplier role code (X) will be used to allocate a Licence Lite supplier's metering points to an MPID.

9. Reviewing methods of ID'ing Licence Lite customers in central and TPLS systems for time, cost/resources and practicality

a. MPIDs

This is a viable option. It will be important to draw restrictions around the reasons for allowing additional MPIDs.

b. BMUs

This is potentially viable in situations where all consumers are within a single GSP and only HH meters are involved; however, it causes significant difficulties regarding the EMR (unless changes are made to the method for allocating MPANs to BMUs, which would also help to develop local supply options). The key restriction is what can be siphoned into the additional BMUs; NHH meters would have to have a unique Standard Settlement Condition, which doesn't work well.

According to the Code, SoLR directions can be made on a per BMU basis. This has been done, so is functionally possible though not as clean as the MPID method.

c. Unique Licence Lite identifier within the BSC systems

This identifier would not be picked up by any established systems, and would not enable Elexon to see individual metering systems. This would be a large change for a scheme Elexon doesn't control.

d. Separate the Licence Lite customers within TPLS systems

This would work under normal operation, but would create significant risks as in the event of a TPLS failure we would be relying on their systems which may be inaccessible, and in the event of a TPLS/Licence Lite supplier dispute regarding obligation allocation we would be relying on information from an interested party. Note that an internal flag could not be maintained in the event of an SoLR transfer.

10. How flexible we can be regarding the ID method(s) permitted.

The difficulty is that no other currently-available options function (except possibly BMUs in very limited circumstances), as data transfers are carried out via MPID. Without an MPID identifier we may be reliant on the TPLS to provide enforcement information. It would be a significant system change to accommodate a new means of ID.

Other

Green Deal

To be a Green Deal supplier, a Licence Lite supplier would have to sign up to the GDAA. Query whether the practicalities of that system mean the Licence Lite supplier can sign up to the Green Deal if their TPLS hasn't; likely that they can.

SEC

Gemserv did not identify any clear SEC/MRA interactions, but there was a suggestion later in the meeting that the TPLS would have to engage with the DCC for the purposes of the SEC's entry requirements. **Andy/Stephanie: can you clarify?**

Meter type

Some suppliers are only qualified for HH or NHH metering: the guidance should clarify that a Licence Lite supplier will need to contract with a TPLS that can offer appropriate services.