

DCP 204 Working Group Minutes

Meeting Name	DCP 204 Working Group Meeting
Meeting Number	13
Date	13 April 2015
Time	10:00
Venue	Teleconference

Attendee	Company
David Brogden [DB] (Chair)	SSEPD
Andrew Monks [AM]	SSE
David Boyer [DB]	UKPN
Dominique Tilquin [DT]	SSEPD
Ferry Lienert [FL]	DECC
Joe Howard [JH]	DECC
John Lawton [JL]	ENWL
Kevin Woollard [KW]	British Gas
Paul Saker [PS]	EDF Energy
Peter Morgan [PM]	DECC
Rory McCarthy [RM]	Ofgem
Timothy Bailey [TB]	DECC
Rosalind Timperley [RT] (Secretariat)	ElectraLink Limited

Apologies	Company
Emslie Law [EL]	SSE
Keren Kelly [KK]	Npower

1 ADMINISTRATION

- 1.1 All Working Group members agreed to the terms set out in the “Competition Law Dos and Don’ts” document.

2 DISCUSSION ON DECC COMMENTS

- 2.1 The Working Group chair explained that the purpose of this meeting was to discuss comments raised by DECC on DCP 204. It was highlighted that the DCP 204 Change Report has already been submitted to the DCUSA Panel. Subject to the discussions of this meeting, the Change Report may be withdrawn so that further consideration can be given to the CP.

Randomisation

- 2.2 A representative from DECC explained that when he had previously reviewed the DCP 204 documentation in November 2014 the scope of the CP was to ensure that, where Load Switching Devices are being replaced, smart meters which take over the switching should provide randomisation. The CP has now progressed to require that a 10 minute randomised offset limit is applied on any meter on a Time of Use (TOU) tariff. It was asked whether the

Working Group had carried out any analysis on the benefits of randomisation against the potential costs of reducing the attractiveness and take-up of new time-of-use tariffs.

- 2.3 The Working Group chair explained that randomisation exists at present due to inaccuracy in meter times and built in randomisation through the radio tele-switch. Consequently, the group considers that it is not just radio tele-switching that controls load.
- 2.4 The randomisation that exists through the radio tele-switch system was done for a reason 20 to 30 years ago. There is a need ensure that large spikes over a few seconds are not created as might happen under smart if randomisation is not maintained. The Working Group has put considerable thought into ensuring that the introduction of smart metering does not remove randomisation.
- 2.5 It was highlighted that the Working Group settled on applying randomisation on every tariff prior to November 2014, as part of the original drafting of the CP. The requirements in the CP protect Distributor and National Grid assets. It was pointed out that the Working Group had consulted with National Grid during the progression and National Grid's comments are captured in the Change Report.
- 2.6 An attendee noted that Consumer First had accepted the need for randomisation but flagged that it is important that customers have sufficient information to know when the high and low rates are. In response, it was observed that through the In Home Display (IHD) customers will be able to see the time of the switch, which they do not have access to at present. As the metering system will promote the rate change through the HAN, this will promote the switching time to the customer. DCP 204 is, therefore, replicating the current arrangements but in a more visible way.
- 2.7 A representative of DECC questioned whether, as Time of Use tariffs are not wide spread outside of load switching, is there enough evidence to support the need to apply randomisation to Time of Use tariffs.
- 2.8 In response, it was noted that if this approach were not adopted then more complexity than there is a present would be introduced. This would mean that Suppliers would need to need to update their systems to identify where a meter is a randomised and where it is not.
- 2.9 Attendees noted that currently Suppliers do not necessarily know which meters switch load and which only switch the tariff rate.
- 2.10 It was suggested by a representative of DECC that there would be benefit in modelling the impact on National Grid' balancing services of different levels of randomisation. In response, Working Group members noted that the expert view is that 600 seconds is a pragmatic value for randomisation that replicates the current arrangements. DCP 204 seeks only to replicate the current arrangements and if, in the future, 600 seconds is found not to be the appropriate period a DCUSA CP can be raised to change this value.
- 2.11 It was highlighted to attendees that to move away from randomisation would create a threat to the way that the system operates. For instance, more spinning reserve may be needed.
- 2.12 Supplier attendees were asked whether they were confident that DCP 204 would not make the sell of Time of Use tariffs more difficult than it would otherwise be, and that it is not a more difficult concept for the consumer that the time of the switch is not exactly on the hour.

- 2.13 A Working Group member noted that for most tariffs, specific times are not given but rather they are offered as a band of say 8 hours. Furthermore, there is a level of randomisation in tariffs at the moment due to clock drift and radio tele-switch applied randomisation.
- 2.14 It was suggested that current smart meter trials have been carried out without randomisation. During these trials, customers said that they found the tariffs easy to understand but would this hold true if there were randomisation? KW offered to look into what British Gas smart meter trial customers found simple about the tariffs.
- 2.15 It was noted that UKPN had run a trial that included switching. Customers could opt in to receiving text messages detailing the switching times. DB offered to circulate the report on this trial to Working Group members.
- 2.16 A representative from DECC suggested that it would be useful if consumers could be informed of the randomisation on the meter before it is installed to ensure visibility.

Implications for Settlement

- 2.17 The next issue raised by DECC was around settlement. It was asked whether any problems around randomisation would arise if the profile data log on the meter, which is 13 months of Half Hourly (HH) data, is used to feed into settlement. Randomisation will not feed into this profile data log so will it be an issue when the settlement profiles are applied?
- 2.18 In response, the Working Group noted that there are numerous issues that need to be resolved with regards to HH Settlement, in particular, there is not currently the ability to access the HH data.
- 2.19 The representative from Ofgem noted that Ofgem is not looking at this area at present, although it is an issue that will need to be considered in the future.

3 NEXT STEPS

- 3.1 Attendees from DECC were asked whether they were comfortable with the information that the Working Group has provided during the course of the meeting.
- 3.2 In response, a representative from DECC explained that they wanted to make sure that the group recognise that there are sizable benefits that can arise from Time of Use tariffs and that these have been considered against the cost to National Grid of not having randomisation.
- 3.3 The Working Group members noted that some good points had been made by DECC. It was stressed that providing information to customers on randomisation switching times will be very important.
- 3.4 The Working Group agreed that there were no material changes required to the DCP 204 Change Report, as the group had covered the issues raised by DECC during previous Working Group meetings.

4 WORK PLAN

- 4.1 The next steps for DCP 204 were agreed as follows:

- Change Report to be presented at April 2015 DCUSA Panel meeting. ElectraLink is to provide a summary of the meeting discussions when presenting the Change Report to the Panel.

5 ANY OTHER BUSINESS

5.1 There were no items of any other business.