

DCUSA DCP 204 Consultation responses – collated comments

| Company | 1. Do you have any comments on the DCP 204 legal text (Attachment 1)? | Working Group Comments |
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| British Gas | <p>3A.1 The User shall use reasonable endeavours to ensure that, where appropriate functionality is available, Smart Metering Systems installed by it (or any agent acting on its behalf) are configured:</p> <p>(a) to provide Randomised Offset; and</p> <p>(b) such that the Randomised Offset Limit is set at a value of no less than 600 and no greater than 1799.</p> <p>We do not agree that the Limit should be between 600 and 1799. If we were requested to set the limit at 1799 we believe this would cause significant customer issues and confusion particularly with the introduction of more granular time of use tariffs. We believe the limit should be set at 600</p> | <p>The respondent further explained that this comment relates to a fundamental principle of the change. The respondent's concern is that the randomised offset limit is a <i>minimum</i> of 600 seconds.</p> <p>It was explained that 600 will give the minimum randomisation that is required going up to 1799 is there to give Suppliers flexibility in their commercial offerings but it also means that in load managed areas (or where security restriction notices or emergency security restriction notices are issued) one of the actions there could be to increase the randomised offset limit as a means of mitigation. Having up to 1799 gives this flexibility.</p> <p>The respondent noted that their concern is that the DNO could write to the Supplier saying in this area there is an issue therefore please can you set your randomised offset limit to say 1600. It was noted that the risk of this happening is unknown; at the moment the system is stable because there is randomisation out there.</p> |
| E.ON | <p>With the extension of the regime to all Smart Meters we would challenge that the legal text should be reviewed with the purpose of ensuring the safeguards on declaring that suppliers make changes to the Randomised Offset Limit are fit for purpose.</p> | <p>The respondent explained that their response was similar to the above response and is about having safe guards in place.</p> <p>It was questioned whether the DCP 204 legal text should be updated to include any additional actions on Network operators in terms of checks and balances.</p> <p>It was highlighted that LMAs will only be applied in areas where</p> |

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| | | <p>switching times are a problem. This is likely to be in areas where there are customers moving demand in a non-diverse fashion. It was noted that the Authority is copied into any notices that are issued and has the ability to question why DNOs are taking these actions.</p> <p>It was also highlighted that network studies will take place before LMAs are issued.</p> <p>A Supplier Working Group member highlighted that their concern is that they would like safeguards that would prevent them from receiving a large number of notices over a very short time period. In response, it was highlighted that the DCP 204 legal text states that under normal circumstances notices will not be issued within 20 Working Days of the last notice for that area.</p> <p>The group discussed whether 20 Working Days was a sufficient time period. It was noted that 20 Working Days has been in place since the DCUSA went live, i.e. it is not being added by DCP 204. The group agreed to extend the time period to 60 Working Days to give Suppliers an increased safeguard that would prevent them from receiving a large number of notices over a very short time period. It was noted that in exception circumstances, the DNO still has the ability to issue notices within the 60 Working Day period.</p> <p>When writing this up in the Change Report reference the Clauses with the mitigations (i.e. 3.2)</p> |
| EDF Energy | <p>We have one comment to make in regards to the draft legal text. We believe that it would be useful to make it clear in Section 7 that</p> | <p>The respondent further explained that the level of details to be provided to Suppliers could be clearer.</p> |

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| | the obligations relating to Load Managed Areas detailed in Section 5 still apply where a Security Restriction Notice issued. While the current drafting implies that this is the case, we believe that this could be more explicit. | The Working Group updated the legal text to address the respondent's concerns. |
| Scottish Power Energy Retail Limited | No comment | Noted |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | We are happy with the content of the DCP204 legal text. | Noted |
| SSE | SSE Supply business has been actively involved in the DCP204 process and changes to the legal text. As such we support the changes and the intent behind them. | Noted |
| Western Power Distribution | <p><u>Load Managed Areas</u></p> <p>Clause 5.4 is a little vague and seems mainly to refer to actions that are subject to a separate notice. Suggest that there would be greater clarity if all superfluous parts were deleted and that the Clause simply states "The issue of a Load Managed Area Notice requires that: (d)...; and (e)..."</p> | <p><u>Load Managed Areas</u></p> <p>The group noted that WPD had raised similar issues around the complexity of the notice process. The Working Group agreed that the additional information was useful and is largely already in the DCUSA. It was agreed that Clause 5.4 should not be amended.</p> |

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| | <p><u>Security Restriction Notice</u></p> <p>Clauses 7.4, 7.5 & 7.6 are a little vague and seem mainly to refer to actions that only might be requested, or are subject to a separate notice. As a consequence it is unclear what materially differentiates this notice from a Load Managed Area one. It also seems harsh to issue a Compliance Notice for such nebulous actions. Suggest that there would be greater clarity if all superfluous parts were deleted and that the Clause simply states “The issue of a Security Restriction Notice requires that: 7.6(a)...; and 7.6(b)...”</p> <p><u>Emergency Security Restriction Notice</u></p> <p>WPD has reservations about the practicalities and legalities of de-energising particular Customers for a breach of the Agreement by their Supplier:</p> <ul style="list-style-type: none"> • Customers generally have the right to be and to remain connected. • Clause 10.1 provides for an escalation procedure in the event of a dispute which does not involve disconnecting customers • The network operational constraints will be limited to particular times of the day. It is not reasonably practicable to repeatedly disconnect customers at the start of these periods and then reconnect them at the end. It may also be necessary to obtain warrants to enforce access to customer premises. • In practice Network Operators would invoke Distribution Code – Operating Code 6 to control demand in the event of operating problems on their network. This does not discriminate against or unduly prefer any one or any group of Suppliers or their Customers. <p>Clause 11.2 requires Emergency SRNs to be dictated over the</p> | <p>ElectraLink took an action to ask WPD to present to the Group what they would consider to be better legal drafting that would address the concerns raised in their consultation response.</p> <p>WPD prepared suggested legal text which sought to address their concerns. The concerns highlighted by WPD and the Working Group’s response to each are set out in Appendix 1 below.</p> <p>The group considered WPD’s revised legal text and agreed to progress the current version of the legal text rather than WPD’s suggested version for the following reasons:</p> <ul style="list-style-type: none"> • The proposed legal text is a significant deviation from the current DCP 204 legal text and would require a further industry consultation were it to be progressed which would delay the CP. • Ofgem sent DCP 204 back to the Working Group asking for additional justification for the change, not because there were fundamental concerns with the legal text. • The majority of Working Group members and consultation respondents are comfortable with the existing legal text. |
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| | <p>phone. Clause 8.3(a) requires the notice to include (amongst other things) the relevant MPANs. It is not reasonable to dictate a long list of MPANs (potentially thousands) over the phone, nor have them dictated back in full to check that they have been accurately received. Clause 8.2 requires Emergency SRNs to be sent to the User, all other Suppliers and the Authority - It is not reasonable to dictate a long list of MPANs over the phone to all of these parties separately.</p> <p>Clauses 8.4, 8.5, 8.6 & 8.7 are a little vague and seem mainly to refer to actions that only might be requested, or are subject to a separate notice. Suggest that there would be greater clarity if all superfluous parts were deleted and that the Clause simply states "The issue of an Emergency Security Restriction Notice requires that: ..."</p> <p><u>Compliance Notice</u></p> <p>Compliance Notices are not well defined. There is no section stating: what details the Notice must contain; How is it issued (in accordance with Clause 59?); What timescales have User's got to complete the actions within; How long is it in force for; etc</p> | |
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| Company | 2. Do you have any comments on the new obligations which will be introduced by DCP 204, as detailed in Attachment 2? | Working Group Comments |
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| British Gas | <p>We believe that the inclusion of a Randomised Offset Limit should be not more than 600 seconds. Even 600 seconds will cause customer confusion and will drive increased customer calls. The new obligations give the Distributor the ability to make changes to the Randomised Offset Limit. We do not think this should be more than 600 seconds.</p> | <p>It was noted that this point has been previously discussed by the group.</p> |

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| E.ON | <p>We are concerned at the new obligations especially the impact that they will have on customers. We have broken our concerns into the following areas</p> <p><i>Supplier Costs</i></p> <p>As a supplier we will have to contact and manage customer concerns and queries. We do not believe that a one off exercise informing customers of a potential impact will be sufficient and envision that we will need to contact customers during an affected period. This will have its own risks for example asking the customer to take action and they are not at the property etc.</p> <p>The management of customers will have a significant impact on us in terms of costs. These include</p> <ul style="list-style-type: none"> • Implementation project - IT costs and business readiness • Customer communications - creation and maintenance of bespoke communications • Enduring operations costs - query management including ability to engage in rapid communications with customer <p><i>Implementation Timeline</i></p> <p>In terms of benefits we do not see the case for the proposed implementation date. We have reviewed the impacted postcode list that has been provided against the latest set of WAN coverage information from the DCC and have identified that the majority of customers in these regions will not be getting WAN coverage for some time. Our sampling showed the majority of customers within WPD regions are due WAN between 2016-2021 with the highest percentage post 2017. SSE showed a similar picture, but with customers in the Skye, Shetland, Argyll and Bute areas showing nil WAN coverage (therefore unlikely before 2021, if at all). Manweb showed the majority covered from 2016 onwards.</p> <p>Timing therefore plays a critical part – we cannot see that the current date based on DCC coverage is justified.</p> | <p>The respondent further explained that they look the existing LMAs list and cross checked it against the existing WAN coverage. From this sampling exercise they cannot see that the current date based on DCC coverage is justified.</p> <p>It was noted that the legal text states that if you do not have the functionality available on the meter then you do not need to deliver the obligation.</p> <p>It was noted that whilst there is a recognition that the technology will not be available in the early stages, it would be useful to get the CP in place so that Suppliers know what the obligations are and can work towards them as the technology becomes available.</p> <p>It was suggested that the only reason to put the implementation back would be if the group felt that the current date was not achievable.</p> <p>It was questioned whether the legal text is clear that the obligations for randomisation only apply from 1 April 2016 if the technology is available, for example, there needs to be WAN.</p> <p>Some Working Group members expressed a preference for the implementation date to be amended to give a greater notice period. The group noted that until SMETS2 is available and DCC has gone live the DCP 204 obligations cannot come into place, however, the date when SMETS2 will come in is not known.</p> <p>It was noted that the current DCC go-live date is August 2016.</p> <p>The group discussed implementing DCP 204 in November 2016, but it was highlighted that this would require retrospective application to SMETS2 meters installed before November.</p> |
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| | <p><i>Impacts on Customers</i></p> <p>We believe that the change will be potentially confusing to customers and that as currently described it will be hard to effectively engage with customers. Customers may be affected with short notice and this will mean ability to manage customers will be limited. In addition as a supplier we will need to have teams available to take queries at all affected times. Randomised offset for customers on TOU tariffs could be significant and will undermine customer confidence in both the offering of such tariff and their supplier.</p> | <p>An action was taken for Working Group members to confirm whether they would be comfortable with a 1 September 2016 implementation date. ACTION</p> |
| EDF Energy | <p>We note that the list of new obligations that is detailed in Attachment 2 does not include the obligation to set a minimum Randomised Offset Limit of 600 seconds. This is the element of DCP204 which is the most material change from the current obligations in Schedule 8. Most of the other changes replicate existing obligations in relation to smart meters.</p> <p>This element of DCP204 has the greatest impact on customers as it moves actual switching times on a smart meter away from the nominal switching times associated with a customer's tariff. While the impact of this in the early stages of the smart metering rollout might be very low as the majority of customers will remain on single rate tariffs, as the use Time of Use tariffs increases, the mandated level of randomisation will impact more and more customers, in what we believe is a negative manner.</p> | <p>The respondent further explained their concern is the application of randomisation outside of load managed areas. It was observed that Ofgem has also expressed concerns about this area of DCP 204.</p> <p>It was suggested that it may help if additional information is sought from National Grid on why the 600 seconds needs to be applied on a national basis.</p> |
| Scottish Power Energy Retail | <p>SPERL question how the distributing business is going to manage the business of Load Managed Areas (LMA) on an enduring basis. It could be argued that suppliers should only be given MPANs for properties they supply. However, there may be difficulties related to constant</p> | <p>It was noted that Scottish Power is suggesting that when a central registration system is developed, a flag should be included indicating if a customer is in a load managed area. The Working Group agreed that this was a sensible suggestion that is already captured in the DCP</p> |

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| Limited | churn in the industry. We believe that we need to consider holding LMAs as a flag in Central Registrations systems. We would see this as a more logical approach and given the timeframe it would be opportune and expedient. In addition our suggestion is that a one off build designed should also be considered for gas. | 204 Change Report. When the centralised registration system is developed this will need to be taken into consideration. |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | We support the new obligations proposed by DCP204, as we believe they represent a balanced and pragmatic proposal to manage the future uncertainties arising from load switching by supplier-controlled smart meters without placing unduly onerous constraints on suppliers. | Noted |
| SSE | The obligations on DNOs to provide more detailed information, by MPAN, will make it easier for Suppliers to be able to manage customers they supply in LMA areas. Although this does not change the existing obligations it does enable them to be enacted more accurately improving customer service. | Noted |
| Western Power Distribution | No | Noted |

| Company | 3. Do you have any comments on the Ofgem send back letter (Attachment 3)? | Working Group Comments |
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| British Gas | <p>We agree with the deficiencies outlined in the Final Modification Report by Ofgem.</p> <p>Point 1 The consultation includes a table of costs and benefits which claim avoided reinforcement costs of between £161 to £718 million in the SHEPD area. As no other Distributors have put forward any benefits we assume that this issue is limited to a single DNO area and therefore cannot see any justification for mandating nationwide obligations. No other benefits have been identified</p> <p>Point 2 We agree that no justification has been put forward to extend the current regime to all smart meters</p> <p>Point 3 We do not agree with the minimum limit being 600 seconds. This value should be the maximum limit to avoid further customer confusion.</p> <p>Point 4 We agree that the risk of customer confusion and how this can be mitigated has not been covered in the final modification report. We believe customers will require dedicated communications around the offset value.</p> | <p>Point 1. It was noted that there is an action on the DCP 204 Working Group chair to ask for cost benefit data from DNOs with Load Managed Areas.</p> <p>Point 2. It was noted that this was discussed against an earlier question.</p> <p>Point 3. It was noted that this was discussed against an earlier question. It was highlighted that a minimum of 600 would not deliver the level of system security desired.</p> <p>Point 4. It was noted that the communication could be done at the point of installation and on-going communication may also be required.</p> |
| E.ON | <p>We agree with the Ofgem view that customers will be confused due to the impacts of randomisation on switching times and we do not see that this has been mitigated.</p> | <p>The group discussed that mitigation might include speaking to the customer about it at the time of installation.</p> |
| EDF Energy | <p>We agree with a number of the concerns expressed by Ofgem in their send back letter. As noted in the response to question 2 our most significant concern in regards to DCP204 is the mandation of a minimum Randomised Offset Limit of 600 seconds across all smart meters, and not just those in Load Managed Areas. We believe that randomisation is a negative customer experience and the application of it should be limited as far as possible. We agree that sufficient</p> | <p>A note from National Grid on DCP 204 that addresses EDF's concerns has been shared with EDF and information from this email will be captured in the DCP 204 Change Report.</p> |

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| | evidence was not presented in the original change report that would justify the proposed minimum Randomised Offset Limit of 600 seconds across all smart meters installed nationwide. | |
| Scottish Power Energy Retail Limited | <p>Ofgem identifies 4 key areas where it feels there is currently insufficient information on which it can base a decision. They are:</p> <ol style="list-style-type: none"> 1. The costs and benefits of continuing the existing regime through smart meters in the proposed manner. 2. The benefits and reasons for rolling out the randomisation functionality to all smart meters as opposed to just those in LMAs. 3. Justification for having a minimum randomisation offset limit of 600 seconds (10 minutes) as opposed to another limit. 4. An explanation of how customer confusion from randomised switching times might be avoided - backed up with consumer benefits. <p>With regard to the first of these, suppliers are likely to want to replicate the switching times of the old meter, which we expect to be able to achieve in most cases. If not, the DNO will need to agree to the times being changed, which should be okay in most areas. Nonetheless, an alternative approach will be needed where the DNO does not agree to the proposed switching regime, which might be most likely for RTS customers in LMAs.</p> <p>We cannot predict with any reasonable accuracy the number of customers this would apply to in practise, although we expect it will be very small. It is important, therefore, to maintain perspective when considering any alternative approach, to ensure it remains proportionate to the scale of the issue.</p> <p>The justification for the offset parameters (point 3) is more a question for the DNOs; however, the Government determined that a</p> | <p>It was noted that the Working Group has already covered the points raised against earlier questions.</p> <p>It was noted that replication of switching times is a requirement that applies today through the replication of SSC.</p> |

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| | <p>randomisation offset capability should be a feature of version 2 of its Smart Metering Equipment Technical Specification (SMETS).</p> <p>Although the switching times will be randomised, this randomisation is not dynamic in that the offset applied to each meter will be fixed. The effect of this offset is such that a heating tariff offering 'off-peak' between, say, 11pm and 7am, might have actual switching times of 11.01pm and 7.01am.</p> <p>It should also be noted that randomisation is already a feature of load switching, not something being introduced by Smart meters, and we have not been aware of customer confusion resulting from it. However, we acknowledge that this is possibly because such randomisation would not typically be obvious to the customer; whereas, with Smart meters, the active tariff will be displayed on the customer's IHD, making the randomisation more apparent.</p> <p>To counter any confusion this might otherwise cause, relevant customers will have the use and effect of randomisation explained to them, as part of the demonstration of the IHD, during their Smart meter installation.</p> <p>The customer benefits of the proposed arrangements come from having increased security of supply.</p> | |
| Southern Electric Power Distribution plc and | <p>We understand the concerns raised by Ofgem but believe that the Working Group is making significant progress to address these. For example, to broaden the stakeholder engagement opportunities, a presentation has been delivered to smaller suppliers at the Domestic Energy Supplier Forum and the Group are also hosting a telephone-based Q&A session. These are positive steps in developing greater</p> | Noted |

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| Scottish Hydro Electric Power Distribution plc | engagement which are to be commended. | |
| SSE | The Ofgem letter highlighted some areas of additional work to be addressed by the Workgroup. The Ofgem comments were recognised as helpful and have been taken forward to add clarity to the proposed changes and to include further qualitative and quantitative cost / benefits. SSE believes all Ofgem's points have been adequately addressed. | Noted |
| Western Power Distribution | No | Noted |

| Company | 4. Do you have any information that could aid the Working Group in documenting and valuing the costs and benefits of the proposal (Attachment 4 sets out the costs and benefits identified thus far)? | Working Group Comments |
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| British Gas | We believe dedicated communications may be required to communicate issues relating to randomised offset. We will endeavour to provide an indicative cost per customer in due course | <p>It was noted that communication with customers on randomisation is something that you would expect Suppliers to do as part of the rollout. It is a business as usual cost and is already in DCUSA at present. It can therefore not be classed as an additional cost associated with DCP 204.</p> <p>The respondent was asked to take this into account when providing</p> |

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| | | data to the DCP 204 group. |
| E.ON | <p>We do not support the current costs and benefits case. We note that there are no benefits stated for SP and WPD and we don't see evidence to support the documented avoided reinforcement costs for SHEPD.</p> <p>We would also challenge that there is marginal costs associated with communicating to customers. Implementing DCP204 for us as a supplier would necessitate a project as we would need to make system and business changes to manage, receive and hold information. In addition we would also need to develop a communications process with customers, create bespoke fulfilment, review and amend current terms and conditions and train teams to deal with customer queries. The costs associated with this would be significant.</p> | <p>It was noted that these points have been discussed against previous questions.</p> |
| EDF Energy | <p>We do not have any more accurate information in regards to the costs and benefits that would result from the implementation of DCP204.</p> <p>We believe that the costs and benefits that are attributed to DCP204 need to be clearly associated with the different elements of the change. Given our concerns regarding randomisation, and the impact that this has on customers, we believe that the benefits that are attributed to this specific element of the change need to be clearly and separately identified. We note that Attachment 4 includes avoided reinforcement costs of £161million to £718million provided by SHEPD. This is a very wide range which indicates a lack of accuracy in the assessment. It is also not clear how much of this figure is associated with maintaining the existing obligations related to maintaining consistent time switching regimes in Load Managed Areas, and which are associated with the new obligations regarding randomisation.</p> | <p>It was noted that the wide range is due to the methodology of the report and where issues may arise due to the nature of the network and geography.</p> <p>Scottish and Southern Energy Power Distribution provided the following information regarding this consultation response.</p> <p><i>Regarding the values detailed in the attachment 4 the £161million to £718million range is due to the way the work was scoped in order to ensure that the work captured the aspects and locations of our SHEPD network that would likely be most impacted by the withdrawal of the RTS system. The aspects of our distribution system studied were:</i></p> <ul style="list-style-type: none"> • <i>Generation (principally embedded generation across the island groups);</i> • <i>33kV distribution network;</i> • <i>33/11kV primary substations;</i> |

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| | <p>Clear evidence must be provided by DNOs or by National Grid that demonstrates the benefits of applying mandated randomisation across all smart meters for EDF Energy to be able to support this element of DCP204; as it stands we are not able to do so.</p> | <ul style="list-style-type: none"> • <i>11kV distribution network;</i> • <i>11kV/LV transformers; and</i> • <i>Security of supply.</i> <p><i>There are also specific issues related to the geography of the SHEPD licence area so the study considered the impact at six geographic locations, these were:</i></p> <ul style="list-style-type: none"> • <i>Islay;</i> • <i>Skye;</i> • <i>The Orkney Islands;</i> • <i>The Shetland Islands;</i> • <i>The Western Isles; and</i> • <i>Dundee (as an example of a typical urban area).</i> <p><i>To allow for the completion of the study in the requisite timescale and manage the extent of the associated workload, a process was developed that involved the detailed study of one or two regions. Details of the use of the RTS in different scenarios would provide information that would allow extrapolations to be performed for the other regions. The highest detail was given to Shetland, a medium level to Orkney and lower levels to the remaining locations.</i></p> <p><i>The £161 million figure is therefore accurate as an estimate for the minimum level of reinforcement that would be required to manage network issues associated with an increase in the coincidence of load.</i></p> <p><i>It should also be noted that this figure is based on DPCR5 allowed expenditure, i.e. Ofgem, Electricity Distribution Price Control Review Final Proposals – Allowed revenue – Cost assessment appendix, December 2009. It should therefore be recognised that that any future reinforcement work would incur a higher cost.</i></p> |
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| Scottish Power Energy Retail Limited | Not available at this time | Noted |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | We have already provided information to the Working Group but recognise that it is not reasonably possible to undertake a full cost benefit analysis. In our view the Working Group are adopting a reasonable and pragmatic alternative approach in response to the request for greater information on costs and benefits, in the absence of accurate data to work from. | Noted |
| SSE | All information available to SSE has already been incorporated into the Working Group's assessment. | Noted |
| Western Power Distribution | No | Noted |

| Company | 5. Do you have any further comments? | Working Group Comments |
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| British Gas | <p>The original Change Report confirmed an implementation date for DCP 204 as 1st April 2016. Given the delays as a result of the Ofgem send back letter and the delays to DCC go live we do not believe that this date is either achievable or required.</p> <p>We would suggest an implementation date of November 2016 at the earliest.</p> | It was noted that the group has discussed the implementation date against a previous question. |
| E.ON | We are not currently supportive of this change. | The respondent explained that the Working Group's decision to change the implementation date and safeguarding legal text amendments have gone some way to addressing their concerns. |
| EDF Energy | No | Noted |
| Scottish Power Energy Retail Limited | <p>We fail to see this as a retail responsibility issue for the following Key reasons:</p> <ul style="list-style-type: none"> ➤ Alerts that involve voltage quality issue are sent to the Distribution Network Operators and the Suppliers do not see these alerts. ➤ Additionally Suppliers do not have knowledge of DNOs network or where these customers are positioned; neither do Suppliers have accountability for this. | <p>The group noted that they were unsure of the significance of the points raised by SP Energy Retail. The requirement on Suppliers under DCP 204 is to work with DNOs to address network issues based on the knowledge that the DNO has.</p> <p>ElectraLink took an action to seek further clarification from the respondent.</p> <p>It was observed that DCP 204 will give Suppliers a greater level of information than at present.</p> |
| Southern Electric Power Distribution plc and Scottish Hydro | <p>In our view, the proposed changes are essential steps which are necessary to reflect the changes of technology and transfer of control of customer demand load switching as a consequence of mass-scale smart metering.</p> <p>In particular, we firmly believe that switching randomisation, in the form proposed by the Working Group, is a fundamental necessity to lessen the risk of incidents induced by synchronised load switching which may have serious effects on the integrity of distribution</p> | Noted |

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| Electric Power Distribution plc | networks and which may also compromise the role of National Grid in their capacity as GB System Operator. | |
| SSE | SSE Supply business recognises the importance of these changes and the benefits that will be achieved from improved information from the DNOs which can be used to inform our customers in relation to LMAs. We also understand the requirement to implement the Randomised Offset in a pragmatic manner to replicate the diversity of load pick up and drop off as occurs today. This proposal achieves the desired outcome in a fair and equitable manner and facilitates future changes as may be required. | Noted |
| Western Power Distribution | <p>One of the objectives of the Change Proposal was to simplify the security restriction notice process. Whilst there has been some improvement, the difference between the notices is almost imperceptible, which leads to confusion rather than clarity:</p> <ul style="list-style-type: none"> • Both SRN and ESRN appear to be advisory in nature i.e. on their own do not require any corrective action to be taken. • Corrective action appears to be mandated by the issue of Compliance Notices • This begs the question whether both SRNs and ESRNs are necessary since a single notice could indicate whether there was a “material” or “immediate” risk to security of supply. <p>The need for a separate Compliance Notice is also questionable as the actions to be taken and the timescales required could be included on the SRN/ESRN.</p> | It was noted that this point has been previously discussed. |

Appendix 1 – WPD Legal Text Concerns and Working Group Response

| WPD Concern | Working Group Response |
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| There is a lot of repeated text which, in my opinion, makes the Schedule confusing to read. Removal of such text would aid clarity & understanding of the requirements / obligations. This could be achieved, for example, by the use of one multi-stage notice rather than multiple notices. | The repeated text means that all the requirements for each notification are in a single location rather than being spread over different locations. This makes it easier for those that have received a particular notification to easily refer to the requirements. |
| SRNs and ESRNs do not appear to require Users to do anything. They seem merely to flag up that the original LMA notice has been ignored, that the capacity headroom is increasingly diminished, and that there may be future consequences in the form of Compliance Notices. Any consequences appear to be restricted only to changes made post issue of the SRN / ESRN rather than post issue of the LMA. Accordingly, it is unclear what the purpose of the SRNs / ESRNs are, and I have endeavoured to remedy this. | The differences between the stages are set out in the DCP 204 Change Report and it should be clear in the legal text. |
| Compliance Notices are not defined in any way. | Compliance Notice is in the definitions section. |
| In the case of ESRNs, it is not practicable to dictate a long list of MPANs over the telephone to multiple parties. It is also unclear what the User could do with this information in real time. If the distribution network was in such jeopardy then DNOs would take action in accordance with Distribution Code DOC6 rather than employ Schedule 8. Consequently I have amended ESRNs such that they are issued in accordance with Clause 59? | <p>The legal text does not require a list of MPANs to be passed over the telephone.</p> <p>DOC6 action may be taken but Suppliers need to know which MPANs are affected. It would not be unreasonable to notify the Supplier by telephone and then send an email with a list of MPANs.</p> |
| Multiple references to Suppliers rather than Users. I have suggested we stick to Users only. | The group has previously discussed this topic and agreed that it is correct to refer to Suppliers, as this encompasses Suppliers that currently do not have any customers in the LMA. |
| Where Notices to be sent to the User, all other Suppliers and the Authority I have suggested that this should be to all Users and the Authority | See response to point 5. |