

# ATTACHMENT ONE

This attachment contains the responses to Energy Intensive Industry Amendments to the Balancing and Settlement Code via [EMR Circular 22](#). Four responses were received and the full non-confidential responses can be found below.

<b>Company</b>	IMServ Europe
<b>Respondent</b>	Clare Hannah

## Electricity Intensive Industries exemption from CfD costs: Amendments to the Balancing and Settlement Code Proforma

1. Do you agree that suppliers should be able to pre-register EII A.BMUs?

On the assumption that this pre-registration activity would trigger a D0299 flow to the HHDA, this would mean HHDA's receiving such records which may never become 'active'. Although this is not an ideal scenario, it will have minimal impact on our HHDA system.

Overall, we therefore broadly support this.

2. Do you agree that suppliers should meet a cost-reflective set up fee for each EII A.BMU that they register?

Yes

3. Do you agree that suppliers should be required under the BSC to put the A.BMU metering solutions in place within a minimum amount of time?

Yes

4. Do you agree with the proposed timescales for implementing the A.BMU metering solutions?

Yes

5. Do you agree that suppliers should be required to remove the applicable MSIDs from EII A.BMUs when an exemption certificate is either revoked or expires?

Yes

6. Do you agree with the proposed timescales for suppliers removing MSIDs from their EII A.BMUs?

Yes

7. Do you agree that an EII's new supplier should be required to put in place the A.BMU metering solutions by the deadlines proposed?

Yes

8. Are there any other amendments to the A.BMU proposal that would make the process more effective?

We have some general comments / assumptions –

We welcome the proposed changes, simplifying the naming and registration process, although overall this option could still lead to lengthy delays in setting up the service and is not very scale-able.

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In previous documentation (dated 30.10.14) there was a new requirement placed on the HHDA to notify the LCCC upon receiving an instruction from the Supplier for EII sites, we note that this now been removed and the obligation is now on the Supplier to notify LCC.

Our working assumptions on Option 1 are still:

Date of exemption has no significance to HHDA activities since the exemption date confirmed by LCC to Supplier, is the same date as the start date the Supplier gave to the HHDA initially.

Should the LCC fail the site due to its validation checks, the appointment would ideally terminate before the start date had been reached, but this may be hampered by backdated appointments / de-appointments by Suppliers, so some retrospective activity may be required.

Should the LCC fail the site due to its validation checks , this would be notified by the Supplier to the HHDA via the D0297 flow with an end date

The obligation on the HHDA is an enduring one for the dates they are appointed (i.e. they would submit data for all the Settlement calendar runs – II/SF/R1/R2/R3/RF) and therefore MPANs could appear in the R2 run (for example) that were not included in the R1 (in the case of a late appointment). Conversely, MPANs that were included in the R1 run may not appear in the R2 (where the Supplier backdates a termination)

9. Do you agree that suppliers should be required to instruct their HHDA to 'flag' EII meters to enable EII metered volumes to be received by EMRS?

Yes. In previous documentation dated 30.10.14 there was a new requirement placed on the HHDA to notify the LCCC upon receiving an instruction from the Supplier for EII sites. We note that this has been removed and the obligation is now on the Supplier to notify LCC.

10. Do you agree that suppliers should do this by the later of 30 days of receiving the EII certificate or the effective date stated on the EII certificate?

The receipt of the EII certificate and the effective date on it have no direct relevance to the HHDA – the HHDA will respond based on appointments and de-appointments from the Supplier.

Ideally, the Supplier should notify their HHDA agent prior to commencement of the service to be provided. However, historically that has sometimes been a backdated notification due to Supplier registration issues (which are sometimes outside of the Suppliers control) and obviously under the proposed timetable, this could be 30 days or more after the energy was traded.

11. Do you agree that suppliers should be required to instruct their HHDA to 'unflag' EII meters within 30 days of receiving a revocation notice or the exemption certificate expiring?

We assume this should state 'the earlier of 30 days of receiving a revocation notice or the exemption certificate expiring'?

Again, the receipt of the revocation notice or the exemption certificate expiring have no direct relevance to the HHDA.

The Supplier should notify the HHDA to terminate the service in advance of the service termination but this may not always be the case.

As HHDA we have no particular issue with either pre or post registration / de-registration

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activity. It is worth noting however that –

The obligation on the HHDA is an enduring one for the dates they are appointed (i.e. they would submit data for all the Settlement calendar runs – II/SF/R1/R2/R3/RF) and therefore MPANs could appear in the R2 run (for example) that were not included in the R1 (in the case of a backdated appointment). Conversely, MPANs that were included in the R1 run may not appear in the R2 (where the Supplier backdates a termination). We assume that EMR Settlement systems and processes would handle this correctly.

12. Do you agree that upon a change of supplier, the new supplier should be required to instruct their HHDA to flag the appropriate MSIDs within 30 days of the supply commencement date or by the effective date on the certificate, whichever is later?

As HHDA we will only provide this service where the Supplier requests it. Should an EII site change Supplier we will not provide the service to the new Supplier unless requested to do so.

13. Are there any amendments to the proposal that would make the process of flagging MSIDs more effective? Please provide evidence to support any suggestion made.

We have a number of observations on the EMR Circular 22 and attachment 1 sent out by EMR Settlement that we want to share with you. We will also forward these to EMR Settlement.

Data flows D0354 to 0356, the changes proposed minimises the impact

Dataflow D0357 - We don't understand the last bullet point – "Change recipient of flow to include the CFDSSP. The CFDSSP and CMSSP (collectively referred to as the EMRSSP) will use the same MPID and role code." This seems to be a duplicate of the second bullet point – "Add to flow communication: From HHDA To CFD Settlement Services Provider", although it adds further clarity. Is this document saying the HHDA will issue the D0357 to EMRSSP, or to both the CFDSSP and CMSSP (i.e. two separate flows to two recipients) ?

If the potential ever exists for these to be 2 separate parties, the current proposed solution does not support this and would have to be changed – the HHDA does not know, for any given MPAN, whether the intended recipient is the CFDSSP or the CMSSP. While these roles sit with one party, no issue exists.

Our working assumptions on Option 2 are still:

The confirmation of acceptance or rejection of the flow would be sent to LCC as well as the Supplier via a flow, ideally over the DTN

The de-aggregated data would be sent to the same recipient in all cases, i.e. if the site was a Capacity Market site or a EII site and in the same format

Should the Supplier HHDA appointment end, the EII service would also end

Should the LCC fail the site due to its validation checks, the appointment would ideally terminate before the start date had been reached, but this may be hampered by backdated appointments / de-appointments by Suppliers, so some retrospective activity may be required.

14. Do you agree with our recommendation that Option B would be the preferred method of metering EIIs?

Yes overall, we would significantly favour Option 2. It seems to offer a more scale-able, robust, cost efficient approach.

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<b>Company</b>	TMA Data Management Ltd
<b>Respondent</b>	Alex Pourcelot

## Consultation Questions

**Option A** - Proposed naming convention for Additional BM Units registered for EII Assets

TMA's response: We have no issue with the proposed naming convention for Additional BM Units registered for EII assets, should this solution be adopted by the DECC.

**Option B** - The changes identified to the Data Transfer Catalogue (DTC) to support the BSC changes

TMA's response: We agree with the changes identified to the DTC to support the BSC changes should option B be adopted by the DECC as it uses the Capacity Market flows introduced by DTC\_CP 3431. We, however, have a comment on the EMR Circular 22 Attachment one, the item number J1872's name is listed incorrectly as Period EMR Line Loss, it should be Period EMR Metered Data.

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<b>Company</b>	Haven Power
<b>Respondent</b>	Richard Mawdsley

## Responses to individual consultation questions

### 1. Do you agree that suppliers should be able to pre-register EII A.BMUs?

If Option A is implemented it will be essential for suppliers to be able to pre-register EII A.BMUs otherwise there will be an adverse impact on the process for switching suppliers and some EIIs may not receive the exemptions on time.

### 2. Do you agree that suppliers should meet a cost-reflective set up fee for each EII A.BMU that they register?

If Option A is implemented then we do not believe suppliers should pay. Costs that are reflective should be recovered from all consumers by the LCCC via the administration fee that is levied on suppliers. The cost of the exemption is being met by everyone else – so we think the costs of administering should be met by everyone too.

### 3. Do you agree that suppliers should be required under the BSC to put the A.BMU metering solutions in place within a minimum amount of time?

If Option A is implemented then we agree that suppliers should be required under the BSC to put the A.BMU metering solutions in place within a minimum amount of time. There is a Standard Licence Condition on switching timeframes that stipulates nothing should be introduced for this scheme that would cause suppliers to breach this. There must therefore be a significant acceleration of the BSC procedures in order to support the market needs and we urge DECC to evaluate with ELEXON whether this is feasible.

### 4. Do you agree with the proposed timescales for implementing the A.BMU metering solutions?

If Option A is implemented then we agree with your proposed requirements in section 2.13.

### 5. Do you agree that suppliers should be required to remove the applicable MSIDs from EII A.BMUs when an exemption certificate is either revoked or expires?

If Option A is implemented then we agree that it is the responsibility of the supplier to remove any MSIDs from A.BMUs on receipt of either a revoked or expired exemption certificate.

### 6. Do you agree with the proposed timescales for suppliers removing MSIDs from their EII A.BMUs?

If Option A is implemented then we would agree with the requirement to remove EII Assets from EII A.BMUs within 6 working days. Whilst we subscribe to the notion that 6 working days is a "tight" deadline, the 14 day grace period allows greater flexibility without threat of penalty.

### 7. Do you agree that an EII's new supplier should be required to put in place the A.BMU metering solutions by the deadlines proposed?

If Option A is implemented then we agree with your proposed requirements in section 2.19. Our comments on the BSC timescales (Q3) apply.

### 8. Are there any other amendments to the A.BMU proposal that would make the process more effective?

No comment

### 9. Do you agree that suppliers should be required to instruct their HHDA to 'flag' EII meters to enable EII metered volumes to be received by EMRS?

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If Option B is implemented then we agree that suppliers should be required to instruct their HHDA to flag EII meters. We believe that replicating the impending Capacity Market approach would be advantageous for suppliers and would negate the need for them to register A.BMUs.

**10. Do you agree that suppliers should do this by the later of 30 days of receiving the EII certificate or the effective date stated on the EII certificate?**

If Option B is implemented then we would agree with the principles established in section 2.28.

**11. Do you agree that suppliers should be required to instruct their HHDA to 'unflag' EII meters within 30 days of receiving a revocation notice or the exemption certificate expiring?**

If Option B is implemented then we agree that suppliers should be required to instruct their HHDA to unflag EII meters within the timeframe specified

**12. Do you agree that upon a change of supplier, the new supplier should be required to instruct their HHDA to flag the appropriate MSIDs within 30 days of the supply commencement date or by the effective date on the certificate, whichever is later?**

If Option B is implemented then we agree with your proposed requirements in section 2.31.

**13. Are there any amendments to the proposal that would make the process of flagging MSIDs more effective? Please provide evidence to support any suggestion made.**

No comment

**14. Do you agree with our recommendation that Option B would be the preferred method of metering EIIs?**

Yes. We agree that Option B simplifies the administration and system processes for EII delivery bodies. It is also an inherently faster procedure and therefore a better fit with customer expectations regarding change of supplier timescales. This option also grants the LCCC and EMRS greater control when a revocation notice is issued – allowing suppliers more time to unflag MSIDs.

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<b>Company</b>	SSE
<b>Respondent</b>	Kate Gillingham

## Electricity Intensive Industries exemption from CfD costs: Amendments to the Balancing and Settlement Code

### SSE Response

#### December 2014

SSE welcomes the opportunity to respond this consultation. In the main we agree with the recommended option of using Half-Hourly Data Aggregators to flag Electricity Intensive Industries (EII) meters which, in SSE's view, provides a more efficient process for implementing the exemption. Our answers to questions 1-8 should therefore be read in this context.

However, SSE would stress that, whichever option is introduced, this is a further amendment to settlement arrangements which has evolved separately to changes already being implemented for EMR. As such it will require additional process and system changes which clearly carry cost implications for suppliers and ultimately for consumers. SSE would strongly suggest that, going forward, careful consideration is given to how amendments are co-ordinated to minimise the need for separate system and process changes in the future and therefore limit the associated costs as far as possible.

Furthermore, there are a number of processes within the consultation where further practical guidance or clarity is required. For example, where the EII is registered in the Central Meter Registration Service the only requirement on suppliers is to inform the LCCC of the identity of the BMU. However it is not clear how this notification process will work in practice. Secondly, when a supplier is notified of an exemption it is not clear in what format the notification will take. For example, were an EII to receive an exemption requiring them to pay only 85% of CfD costs, does the notification state the exemption as 15% or the requirement to pay at 85%? SSE would emphasise the need for clear and practical guidance on all the process requirements concerned and that such guidance should be provided in a timely manner to allow appropriate processes to be implemented.

**1. Do you agree that suppliers should be able to pre-register EII A.BMUs?**

SSE agrees that, were option A to be implemented, pre-registration of EII A.BMUs would be more effective and time efficient than the process previously consulted on.

**2. Do you agree that suppliers should meet a cost-reflective set up fee for each EII A.BMU that they register?**

In the event that Option A was implemented, SSE would have concerns with the intention to charge suppliers a set up fee for each EII A.BMU that they register. In SSE's view this process should align with the arrangements in place for CfD A.BMUs whereby costs are recovered through the operational levy.

**3. Do you agree that suppliers should be required under the BSC to put the A.BMU metering solutions in place within a minimum amount of time?**

SSE agrees that a minimum time requirement should be imposed, assuming this is reasonable. Ensuring suppliers have a clear understanding of these requirements will help to drive process efficiency.

**4. Do you agree with the proposed timescales for implementing the A.BMU metering solutions?**

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SSE considers the timescales outlined in the consultation to be reasonable given these allow for the relevant ELEXON A.BMU registration timescales. However, SSE would continue to welcome any time reduction in ELEXON's processes to best ensure suppliers can meet their requirements.

**5. Do you agree that suppliers should be required to remove the applicable MSIDs from EII A/BMUs when an exemption certificate is either revoked or expires?**

SSE agrees with this requirement.

**6. Do you agree with the proposed timescales for suppliers removing MSIDs from their EII A.BMUS?**

SSE strongly disagrees with the timescales proposed in the consultation and does not consider 6 working days sufficient time for this process to be completed. SSE notes that the consultation states that failure to meet this requirement would cause a breach of the BSC but suggests suppliers could utilise grace period allowances already in place. SSE does not consider the use of grace periods, for what would be considered a Business As Usual activity, to be an adequate solution and would not consider it good governance. Were option A to be implemented, SSE would strongly suggest that the timescale for this requirement be revised to allow this process to be completed within operational timescales.

**7. Do you agree that an EII's new supplier should be required to put in place the A.BMU metering solutions by the deadlines proposed?**

SSE agrees with these requirements.

**8. Are there any other amendments to the A.BMU proposal that would make the process more effective?**

SSE has no further comments on this proposal.

**9. Do you agree that suppliers should be required to instruct their HHDA to 'flag' EII meters to enable EII metered volume to be received by EMR Settlement Ltd?**

As stated above, SSE considers this option to be a more effective and time efficient process than option A.

**10. Do you agree that suppliers should do this by the later of 30 days of receiving the EII or the effective date stated on the EII certificate?**

SSE agrees with this requirement and believes the timescale allowed is adequate to engender efficiency within the process.

**11. Do you agree that suppliers should be required to instruct their HHDA to 'unflag' EII meters within 30 days of receiving a revocation notice or the exemption certificate expiring?**

SSE agrees with this requirement.

**12. Do you agree that upon a change of supplier, the new supplier should be required to instruct their HHDA to flag the appropriate MSIDs within 30 days of the supply commencement date or by the effective date on the certificate, whichever is later?**

SSE agrees with this requirement.

**13. Are there any amendments to the proposal that would make the process of flagging MSIDS more effective?**

SSE has no further comments on this proposal.

**14. Do you agree with our recommendation that Option B would be the preferred method for metering EIIs?**

SSE agrees with the recommendation that Option B is the preferred method for metering EIIs