

# WHOLESALE-RETAIL CODE CHANGE PROPOSAL/ CHARGING CHANGE PROPOSAL

For use by the Panel

<b>Change Proposal Reference</b> <i>(To be completed by the Panel Secretary)</i>	<b>CPW059</b>	Version No	<b>1.0</b>
<b>Type of Change Proposal:</b> <i>(delete as appropriate)</i>	Change Proposal		
	<del>Charging Change Proposal</del>		
<b>Submission Date</b>	12 April 2019		
<b>Title:</b> of Change Proposal/Charging Change Proposal	Changes to Review Obligations		
<b>Summary:</b> of Change Proposal/Charging Change Proposal <i>(40 to 50 Words Maximum)</i>	<p>The paper outlines obligations within the Code Subsidiary Documents (CSDs) which require the Market Operator to undertake technical reviews of certain aspects of the Central Systems (CMOS), as well as an obligation in the Market Terms regarding the provision of information.</p> <p>As these reviews are deemed overly frequent and unnecessary, this paper proposes amendments to these obligations.</p>		
<b>General Details of the Proposer</b>			
<b>Name of Proposer</b>	Oliver Farrell		
Capacity (to submit Change Proposals and Charging Change Proposals – on behalf of a Party, as a Panel member, as the customer representative, or the Market Operator or on behalf of the Authority; or Charging Change Proposals – on behalf of a Wholesaler).	On behalf of the Market Operator		
<b>Contact Email</b>	Oliver.Farrell@mosl.co.uk		
<b>Telephone/Mobile</b>	07944 682 073		
<b>The Proposer recommends that this Change Proposal/Charging Change Proposal should initially:</b> <i>(delete as appropriate)</i>	<del>Proceed to Assessment</del>		
	<del>Proceed to Consultation</del>		
	Proceed to Recommendation		
<b>Is the change Urgent (Yes/No)?</b> If yes, please provide reason for urgency (if applicable)	No		

## Related Documents

Reference of any associated (Interim) Code Panel Change Proposal/ Charging Change Proposal

N/A

Documents Accompanying Form

Code drafting:

- Attachment 2 – CSD 0203 Amendments to Legal Drafting
- Attachment 3 – CSD 0207 Amendments to Legal Drafting
- Attachment 4 – WRC Part 4 Market Terms Amendments to Legal Drafting

## Change Proposal/ Charging Change Proposal Details

Description of (i) the issue or defect which this Change Proposal seeks to address, or (ii) the modified or new charging method or charging structure required pursuant to this Charging Change Proposal, as required under the Market Arrangements Code Section 6.2.1(b).

Following the January 2019 Panel meeting, MOSL presented a review of the Rollover Review Algorithm (RDA), which included extensive analysis and recommended next steps. The Panel agreed that the RDA did not require any changes at the time and decided against undertaking another yearly review as specified within the market codes. This was because the Panel was concerned by the amount of effort and time required for MOSL to undertake the rigorous analysis required to develop the report. The Panel also noted that similar reviews may tie up MOSL's resources unnecessarily. Thereafter, the Panel raised an action (A27\_13) for MOSL to review the obligations in the codes that relate to technical reviews and return to the Panel with a plan on how to proceed. As a result of this, MOSL found four obligations within the market codes which specify technical review of estimates and subsequent presentation to the Panel, these being:

- 1) CSD 0203: Meter Read Submission Validation –
  - (i) Reviewing the Rollover Detection Algorithm; and
  - (ii) Reviewing the Nominal Maximum Design Capacity (NMDC) table.
- 2) CSD 0207: Charge Calculation, Allocation and Aggregation
  - (i) Reviewing the Industry Level Estimates (ILEs); and
  - (ii) Reviewing the volume estimating caps.

The Panel have also agreed to remove the provisions of information obligation presented at the Panel Meeting in March, as set out in section 1.2.11 of the Market Terms. The Panel held the view that they MOSL was already fulfilling its obligations and that this was not needed in the codes.

Description of the Change Proposal/ Charging Change Proposal, its nature and purpose and (for Change Proposals only) how it is consistent with the Principles and falls within

the Objectives noted below, as required under the Market Arrangements Code Section 6.2.1(c).

Currently, all reviews are being completed and presented to the Panel on an annual basis. This is deemed overly frequent and an approach that is efficient, flexible and dynamic is needed.

The proposal is to amend the obligation to present a review to the Panel on the RDA to at least once every three years, the NMDC table once every three years, on the ILEs to once every two years and the volume estimating caps to once every two years.

The two CSDs below will both require amendments to the Wholesale-Retail Code, Schedule 1 Part 5:

### **CSD 0203**

Two sections of this CSD will require amendment:

- 1) Section 2.5.9, in relation to the RDA: 'The Market Operator shall provide a minimum of one report to the Panel each Year every three (3) Years on whether the algorithm remains appropriate.'
- 2) Section C.1.3, in relation to the nominal maximum design capacity table: 'The Market Operator shall review this table annually every three (3) Years, and make a recommendation to the Panel as to whether a Change Proposal should be raised to amend the table.'

### **CSD 0207**

Two sections of this CSD will require amendment:

- 1) Section F.1.2, in relation to the ILEs: 'Every two (2) Years, in the first quarter of each Year, the Market Operator shall review the table based upon at least two years of observed volumes through meters at Occupied Premises... Based upon the analysis, the Market Operator shall make recommendations to the Panel as to whether a Change Proposal should be brought forward or not to update either the groupings of meter sizes or the estimated flows.'
- 2) Section F.2.2, in relation to the volume estimating caps: 'Every two (2) years, in the first quarter of each Year and in conjunction with the review of the table in Appendix F.1.2, the Market Operator shall review the table and make recommendations to the Panel as to whether a Change Proposal should be brought forward or not to update either of the Volume estimating caps.'

### **Market Terms 1.2.11 Provisions of Information**

This section 1.2.11 will need to be removed:

'(a) The Market Operator is obliged under the Wholesale-Retail Code, and the Market Arrangements Code to provide certain information and materials to the general public, the Panel and Trading Parties as set out in the relevant sections thereof.

(b) The Market Operator shall establish a summary of list of materials and information to be published and the recipients, and to the extent the recipients are not specified under the Wholesale-Retail Code or the Market Arrangements Code establish and maintain a policy which sets out:

- (i) information to be made available to the general public;
  - (ii) information to be made available to the Trading Parties;
  - (iii) information to be made available to Panel Members;
  - (iv) information to be made available to the Authority.
- (c) The Panel shall approve the information to be published under 1.2.11(b) and review from time to time

For clarity, such information to be published in accordance with this Section 1.2.11 will not include the notification and distribution of Data Items and Reports, as those are specified in the relevant Code Subsidiary Documents in the Wholesale-Retail Code.'

## Principles and Objectives

Description of the principles and objectives affected by the change proposal on the items below (if applicable) as detailed in Part A of Schedule 1 Part 1: Objectives Principles and Definitions.

Principles	Affected (Y/N)	Description
Efficiency	Y	The amendments away from an annual review towards time to time allow less effort to be wasted on this and enhanced efficiency.
Proportionality	N	N/A
Transparency	Y	This change still promotes carrying out the review process, maintaining transparency.
Simplicity, cost-effectiveness and security	Y	There are minimal costs, meaning the change is cost-effective.
Barriers to entry	N	N/A
Non-discrimination	N	N/A
Customer participation	N	N/A
Customer contact	N	N/A
Seamless markets	N	N/A
No limit on upstream competition	N	N/A
Business Terms Objectives	N	N/A

Operational Terms Objectives	N	N/A
Market Terms Objectives	N	N/A
Description of the impact of the Change Proposal/ Charging Change Proposal on the following items, as required under the Market Arrangements Code Sections 6.2.1 (f), (g) and (h).		
Configured Item	Impacted (Y/N)	Description
Schedule 1: Terms and Conditions of a Wholesale Contract	N	N/A
Wholesale-Retail Code, Schedule 1 Part 1 (Objectives, Definitions and Principles)	Y	In relation to efficiency and transparency, this CP will enhance both of these aspects.
Wholesale-Retail Code, Schedule 1 Part 2 (Business Terms)	N	N/A
Wholesale-Retail Code, Schedule 1 Part 3 (Operational Terms)	N	N/A
Wholesale-Retail Code, Schedule 1 Part 4 (Market Terms)	N	N/A
Wholesale-Retail Code, Schedule 1 Part 5 (CSDs)	Y	CSD0203, CSD0207
Wholesale-Retail Code, Schedule 1 Part 6 (Operational Forms)	N	N/A
Appointment	N	N/A
Licence	N	N/A
Any other industry code, agreement or document (e.g. the Wholesale Contract or the MOSL Articles) (please specify)	N	N/A
Central Market Operating System	N	N/A
Trading Party systems which interface with Central Systems and other relevant Trading	N	N/A

Party systems/ business processes.		
Scottish Core Industry Documents	N	N/A
<b>Further Information</b>		
Description of any discussions on the topic of the Change Proposal/ Charging Change Proposal at the User Forum (as relevant) or otherwise relevant discussions with parties, as required under the Market Arrangements Code Section 6.2.1(i).		
N/A		
<b>Further Comments</b>		
It should be noted that the amendment of these timescales was presented to the Panel at its meeting on 26 March 2019.		