

Inventories with demand over 100kW

Overview

In 2017 Ofgem launched a [review](#) of the Electricity Settlement arrangements to improve the accuracy in energy trading by utilising actual Half Hourly (HH) data rather than relying on the broad average profiles of energy used under Non-Half Hourly (NHH) settlement.

Elxon formed a group to review existing processes and recommend an operating model that would deliver the Ofgem requirements. During the course of the review, it was established that the Balancing and Settlement Code (BSC) governing the electricity arrangements requires any Unmetered Supplies (UMS) where the demand is over 100kW are settled using the half hourly arrangements.

Most UMS inventories with demand over 100kW are already settled using the half hourly arrangements and they account for over 80% of the unmetered energy. But it was identified that there are a small number of UMS inventories still trading NHH. The review in late 2019 revealed that the requirements of the BSC had not been properly recognised by the industry leading to many misinterpreting the BSC and wrongly believing that customers had the option of HH or NHH trading.

What action is being taken?

Elxon brought a paper to the UMSUG explaining the issue. This caused debate and was escalated to the [BSC Panel](#) in March 2020. The Panel determined that action should be taken immediately to ensure compliance with this BSC obligation, “with a backstop of April 2021, including a robust strategy for communicating with customers”. This was largely achieved, with a handful being late.

Electricity suppliers are required by their Licences to comply with the BSC. The BSC requires electricity suppliers to ensure that all over 100kW supplies are settled on a HH basis. A process has been developed where the Unmetered Suppliers Operator (UMSO) within the Distribution Business will identify any qualifying customers’ inventories increasing over 100kW where the UMSO will advise the customer and the customer’s supplier, who in turn will work with the customer to transfer the inventory from NHH to HH trading.

To settle on a HH basis the customer will need to appoint a Meter Administrator such as Power Data Associates (PDA) who operate an Equivalent Meter for half hourly trading. Once appointed PDA will guide and assist you through the transfer process.

How is it determined if an inventory has a demand over 100kW?

A NHH Estimated Annual Consumption (EAC) more than 500,000kWh/year is a rough guide in the first instance, but it will depend upon the nature of the supplies for an accurate demand figure to be calculated. PDA can assist you with this verification.

Next Steps

Contact PDA to discuss the process of transferring to HH trading so we can provide a step-by-step guide through the transfer process and our leading Meter Administrator service.

Contact

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