



## RESPONSE TO THE OFGEM CONSULTATION ON DOMESTIC-SCALE MICROGENERATION

July 2005

### THE UK METERING FORUM

1. The UK Metering Forum is a trade association open to owners, providers and operators of electricity metering assets. It provides specialised collective services on behalf of members, mainly connected with interfacing to UK and European legal metrology bodies and other trade associations and with representation on standards bodies.
2. The UKMF does not involve itself directly in the commercial activities of its members or in commercial arrangements between members and, as such, strictly observes the requirements of the Competition Act, 2000.
3. The following is a submission agreed by members, taking account that in some matters there may be differing views between asset owners and asset operators. It is additional to any individual company submissions which may be made. Comments are mainly restricted to electricity metering related issues except for those under 'General'.

### GENERAL

4. Although UKMF members are not directly affected, they note and applaud the worthy aim in the Summary that "The objectives are...to make clear Ofgem's intention to address micro-generation issues without extending the scope of regulation or materially increasing the regulatory burden on supply or distribution licensees".
5. Para 3.3 requires expansion. Having accepted that the purchase of electricity produced by microgeneration is not covered by the supply licence it introduces the concept that this might come within 'commercial activities' as in Section 3A(1) of the Electricity Act. This section refers to the objectives and duties of the Secretary of State and the Authority, which are to protect the interests of customers etc. Should not para 3 explain the relevance of this?
6. In para 6.2 the two sentences say different things which are not necessarily related. However, DCHP installers will not be given authority to change meters unless they are suitably qualified and competent to do so (this is a safety matter apart from the organisational requirements of the competitive market)
7. Paras 7.10 to 7.15 have points about reverse running which are picked up again in paras 10.17 to 10.24. However in para 7.16 a specific question is asked about views as to modification of SLC 16 or 17 "to ensure identification of reverse running meters". This will be covered in later comments.
8. Para 7.28 refers to the effect of operation of the contactor of a prepayment meter causing the microgenerator to shut down (to prevent 'islanding'). Irrespective of this, the open contactor presents a barrier to export. Where there are different suppliers

for import and export, interruption of the import supply from the first supplier prevents export to the second. This was identified during drafting of ELEXON's Code of Practice 9 but was not addressed (prepayment meters are excluded from the scope of CoP 9). This seems to reinforce the comment in para 7.30 that prepayment meters seem to be unsuitable for use with microgeneration installations. This may not actually be a problem as during the CoP 9 discussions it was felt that customers who could afford to spend several thousand pounds on microgeneration were unlikely to require a prepayment meter!

## **SPECIFIC METERING ISSUES**

### **Meeting consumers' requirements**

9. Paras 10.3 to 10.7 set out potential problems of installing microgeneration and associated metering (mainly with regard to DCHP, which may be required as a distress purchase on failure of a normal boiler and the installation should preferably be carried out in one day). No specific questions are asked here, but there is a later implication (para 10.35) of difficulties experienced by some parties in securing the installation of export meters. **UKMF members wish to make it clear that they are obliged to operate within the Framework of the Balancing and Settlement Code and its Procedures under the 'Supplier Hub' principle and cannot be held responsible for difficulties arising from application of these.** It is up to Parties to the BSC (which meter services providers are not) to consider any changes in the light of responses to this Consultation.

### **Meter Approval and certification**

10. Paras 10.13 to 10.16 set out legal requirements for meters, concluding that a meter without reverse running prevention on a microgeneration installation may not be an 'appropriate meter' within the Electricity Act. No specific questions are asked and the practical impact is taken up later.

### **Best practice**

11. Again, this section does not ask any specific questions. It suggests that a DNO needs to have access to metered export data and there may be circumstances where, if export is being 'spilled' and not purchased by another party, a DNO might arrange for a meter to be fitted. It refers to a Distribution Licence Condition which would permit this but concedes a legal difficulty in a DNO having access rights to do so. UKMF members do not speak for DNOs but wonder why a DNO might want to fit a meter to record the (possibly very variable) 'spill' output of a (relatively small) generator – what would it do with the information? (and who would read this meter?) Also, even where a supplier is involved and an export meter is fitted, do DNO's actually have access to its data?

### **Reverse running**

12. Paras 10.17 to 10.22 pick up on the point that an import meter without reverse running prevention is not 'appropriate' where microgeneration is installed which may result in energy being exported (and is a breach of CoP9 because a register has decremented) and raises the question of how to identify such meters. It is thought that reverse running stops were first put in as a requirement in Electricity Council Engineering Recommendation M26/1, circa 1984. Such requirements were not mandatory, but all Area Boards would have complied. Thus any meter first purchased after this time is likely to have reverse running stops. Meters before this will not have

such stops and it has been confirmed that it was not practice to fit them when the meters were refurbished (and reused). It may therefore be possible to establish whether the meter is 'appropriate' by site inspection (the second two digits of the meter serial number indicate the "year of delivery"). However, this then re-raises the question of whether an obligation to do this should be put into Supply Licence Condition 17, and/or LC16 (see point 7 above) and whether this should be a routine matter or require a special inspection on notification to the Supplier that microgeneration has been installed. UKMF members have no view on this but will carry out whatever is decided a part of their services to Suppliers.

### **Metering for ROCs/SROCs**

13. UKMF members have some difficulty with the concept that a meter measuring ROCs/SROCs must comply with Schedule 7 of the Electricity Act (including being approved). Whilst microgeneration may create a 'supply', the beneficiary of that supply is the customer who owns it hence he will not be 'charged for his supply' as in para 1(1) of Schedule 7. ROCs/SROCs are an arbitrary trading concept which post date Schedule 7. That being so would mean that a meter used for ROCs would not need to be approved as per Schedule 7 and thus negates any perceived problems with DC meters. Of course, there could be requirements elsewhere as to what meters are appropriate, but this is another matter. In drafting of BSC CoP9, a deliberate decision was made that it should not cover metering of the source generation

### **Meter Change**

14. Para 10.28 talks about installers being "suitably trained *and accredited* to change meters. Who is to provide such accreditation? The authority to change a meter must come from its owner in the first instance and in the second instance from the DNO to whose network the meter is connected. This latter is currently covered by the MOCOPA (Meter Operation Code of Practice Agreement) to which all DNOs and all Meter Operators are parties. There is also the question of operating by the rules as set out by the Balancing and Settlement Code which requires one accredited (within the BSC) Meter Operator to be appointed for the site. Point 9 above has already referred to this in the context of the question asked in para 10.35.
15. There is much duplication of matters already raised in this section eg 10.33 which talks about DNOs installing meters as covered in point 10 above.

### **CONCLUSION**

16. UKMF members welcome the opportunity to comment on issues arising from increasing use of domestic-scale microgeneration and some have been (and still are) involved with installers of such equipment. They will continue to use their best endeavours to fulfil the needs both of customers for whom the equipment is being fitted and the suppliers to which they are contracted in a timely and efficient manner, so far as possible within the arrangements of the competitive supply market.