Note of IDNO/DNO boundary issues workshop, 28 September 2005

Present:

Mo Sukumaran (SSE)	Mike Smith (WPD)	Mike Harding (Laing)
John Hill (CN)	Phil West (WPD)	Ted Broadhurst (GTC)
Nigel Roberts (CN)	Mike Haniak (UU)	Mike Morris-Smith (Engage
Jim McCulloch (SP)	Rob Bradley (IPNL)	Consulting)
Melanie Chilcott (SP)	Gareth Jones (IPNL)	Mark Cox (Ofgem)
Chris Allanson (CE)	Greg Smyth (IPNL)	Sean O'Hara (Ofgem)
Paul Abreu (EDF)	Jim Johnston (GUC)	Heather Glass (Ofgem)
Simon Rowe (EDF)	Vince Colby (Consultant)	Laura Nell (Ofgem)

Boundary metering

Metering alternatives

IPNL set out a proposal for using settlement data flows as an alternative to metering at the boundary (see attached paper). Elexon has suggested that this is a viable solution; IPNL sought DNOs' views on its practicality and cost.

DNOs raised a number of concerns:

- The proposed method relies on accurate settlement flow data. It would expose DNOs to additional commercial risk, since the management of an IDNO's network, and the equipment it uses, is outside DNO control. Unmetered consumption on an IDNO's network would be neutral from the IDNO's perspective but would impose a cost on the DNO due to the losses incentive.

  Suggestions for overcoming this issue included:
  - More accurate losses estimates
  - Contingency payments to DNOs to compensate for potential losses on large developments
  - DNOs to provide MPAS services
  - IDNOs to give assurances on the proper running of their businesses
  - Laing referred to the requirement under schedule 6 of the Electricity Act 1989 (the Act) for each licensed distributor to produce and submit to Ofgem a scheme for the recovery of losses or theft, and asked whether this could help to solve this issue.

- The industry is moving in the direction of more metering, not less. This initiative may run counter to that and could create problems if Ofgem decided to ask for more information in future. IDNOs agreed that this was a risk they would need to consider.

- Developing this solution is likely to be a large and costly piece of work – who pays? Metering is a simple solution; IDNOs should consider the metering cost when deciding whether to take on a development.

Attendees generally agreed that metering would be the most appropriate solution in some situations but not in others. There was general agreement that metering may be

necessary at HV and for bulk LV. A proxy for a metered system could be acceptable at LV.

Meter specification
IDNOs said that some DNOs were requiring non-settlement meters at the boundary to comply with the requirements of settlement metering. This was not necessarily appropriate; for example, non-settlement meters need not be HH meters at low voltages and need not have a telephone line associated with them.

There was agreement that since boundary meters were not settlement meters, they were not covered by schedule 7 of the Act which requires recertification every 10 years. However, there should be some means of ensuring accuracy. The industry needs to reach agreement on this.

One DNO again raised the concern that the cheapest solution (installing the most basic meters) may not be the most efficient in the long term as the industry moves towards smart metering. There would as a minimum need to be a requirement either for import/export meters or for IDNOs to agree not to export electricity.

It was suggested that the metering code of practice could be used as a basis for non-settlement meter specifications.

IPNL agreed to devise a matrix suggesting the most appropriate solution for each voltage level. This will serve as a starting point for further discussion.

Meter ownership
DNOs agreed that it was OK for IDNOs to own boundary meters, given that they would not be settlement meters, but that this would not necessarily be a requirement.

Meter location
Laing believed that there could be circumstances where metering remote from the boundary was the most economic solution. For example, a suitable meter location may already exist away from the boundary on some brownfield sites.

It believed that metering remote from the boundary could still be sufficiently accurate, given appropriate assurances about electricity crossing the boundary. There is precedent at some 275kV/132kV boundaries.

Some DNOs said that they would not object to metering away from the boundary if there were no customers between the boundary and the meter. Others expressed reservations.

There was no resolution of this issue at the meeting.

Disputes
Boundary metering disputes are outside the remit of meter examiners under schedule 7 of the Act. The proposed matrix should help to minimise disputes. It was also suggested that the disputes process could be set down in a code of practice outside BSC.

Boundary equipment

Location
Laing believed that it may not always be economically or operationally practicable for ownership and operational boundaries to coincide. It believed that isolation equipment should be sited at the operational boundary. DNOs generally agreed, provided there were no connected customers between the two boundaries.

Specification and housing
IDNOs suggested that they be given the opportunity to become authorised to withdraw the DNO's fuses, thus removing the need for two sets of switchgear. Some DNOs suggested that it would be easier and cheaper to have two sets of equipment. These could both sit within the same housing if the IDNO wished.

Scottish Power is talking to DTI about this issue. ***[Note: SP has concluded these discussions. The company reports that the DTI guidance requires, as a minimum, one set of control and protection equipment. Whilst some situations may justify additional equipment, there is no scope to reduce this requirement.]***

IDNOs raised concern that some DNOs were requiring them to house their equipment in large brick structures which were expensive and required planning permission. There was some discussion about how large the housing would need to be at different types of connection.

There was significant discussion on what constituted isolation equipment. As a way forward, participants agreed to consider the most common 15 examples of connections and propose a 'preferred' means of isolation for each. IPNL agreed to develop and circulate a first draft of this note.

Actions

- **IPNL** (with input from other IDNOs) to devise:
  - A matrix setting out proposed requirements for boundary metering, or an alternative arrangement such as data flows, at different types of connection; and
  - A note setting out the 'preferred' means of isolation at the 15 most common connection types.

- **Scottish Power** to continue discussing the isolation equipment issue with DTI ***[Discussions complete; see above]***

- **Ofgem** to circulate '42 issues' note to IDNOs ***[Done]***