

Electralink response to the ELEXON consultation
'Mandatory HH Settlement for Customers in Profile Class 1-4 and the Closure of NHH Settlement'

Background

ELEXON is seeking views on the proposal of mandating Half Hourly settlement for customers in Profile Classes 1-4 from a future date. The consultation also proposes that Non Half Hourly settlement will be discontinued at some point in the future. It will inform the cost benefit analysis work and help identify the benefits and barriers to our customers settling volumes of energy on a Half-Hourly basis as Smart (or Advanced) meters are installed for customers in Profile Classes 1-4.

Our Approach / Assumptions

To enable a consistent approach to the six scenarios set by the consultation, Electralink has taken the following approach and made the following assumption to determine indicative volumetric information.

Approach

Initially we have determined a NHH and HH MPAN footprint based on the current flows transferred across the Data Transfer Network during the period August 2010 to July 2011. Where a flow is not MPAN specific a 50-50 volumetric split has been assumed.

Based on the approach detailed above a DTN MPAN footprint has been derived

NHH MPAN Footprint	14.22KB per annum
HH MPAN Footprint	2675.67KB per annum

Assumptions

The model does not take into consideration new or the modification of existing flows that are likely to be introduced as part of the SMART meter rollout.

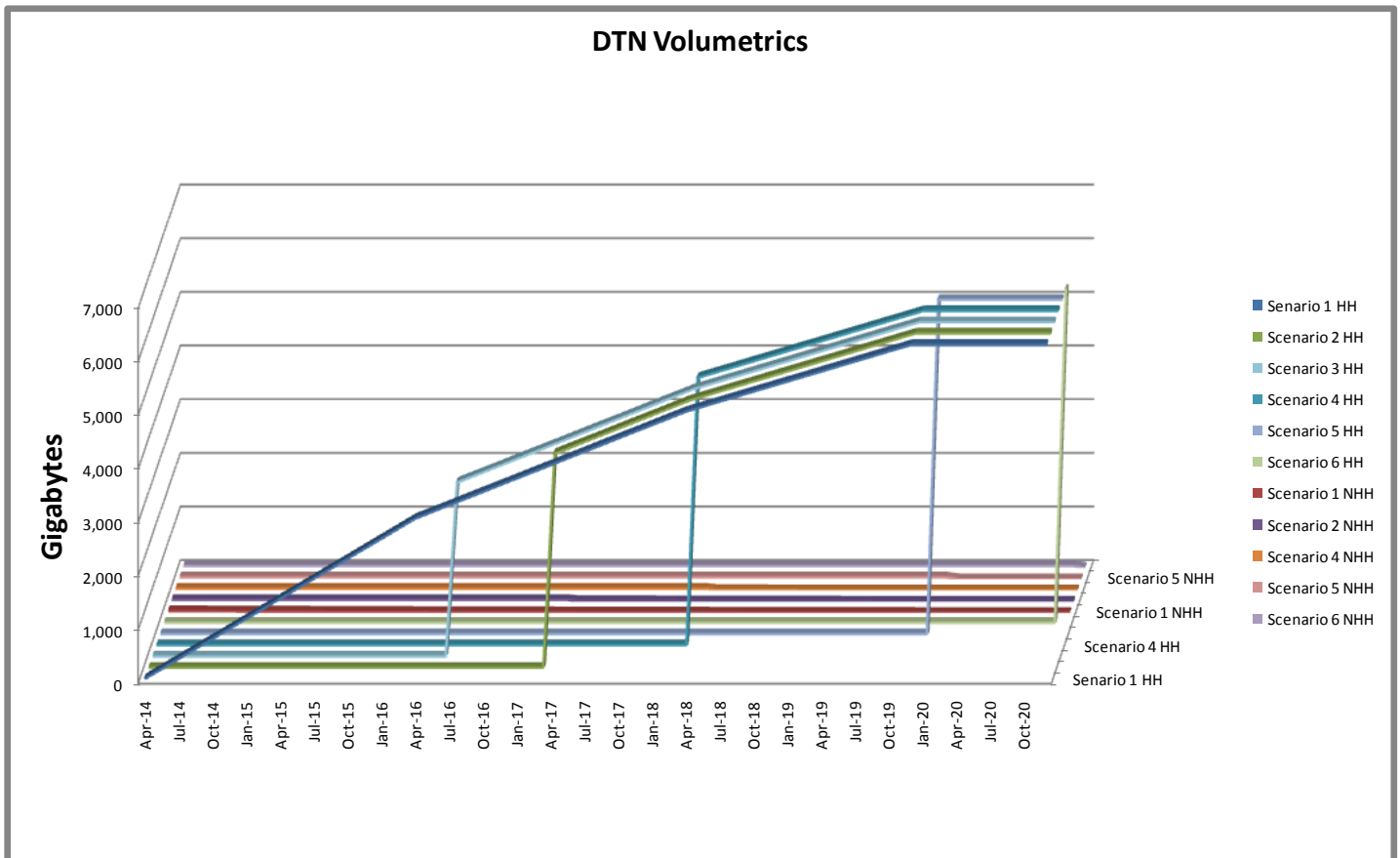
The HH cycle for meter reads is consistent with current practice.

No allowance for adhoc meter reads has been considered.

No allowance has been given for a gradual ramp up following the mandatory date of HH settlement.

Analysis

The chart below shows a summary of the increase in network traffic at each of the six scenarios. The DTN currently transfers approximately 700GB of information per annum, based on the model this increases to approximately 63TB in 2020.



Investment in Infrastructure

The move to HH settlement will require significant investment in the DTN infrastructure, both in terms of processing capability as well as physical network bandwidth. Any investment in infrastructure will be determined by the starting point of mandated HH settlement for PC 1-4 and, the expected voluntary take up prior mandatory HH settlement also needs consideration.

Changes to the MRA

The charging mechanism for the DTN is based on a cost per MPAN charge and a per megabyte transmission charge. The mandatory settlement of PC1-4 will not affect the overall MPAN count, however the volumes of traffic sent across the DTN increases significantly. ElectraLink is unable to determine the effect to the charging mechanism at this stage only that any change is unlikely to increase proportional to the increase in traffic volumes.

It should be further noted that ElectraLink is currently working with DECC and the industry to understand the data transfer requirements between the DCC and the rest of industry. If ElectraLink were to provide services in this area, the network capacity will also require significant expansion. It is expected that the two changes together would bring further costs benefit.

