DSC Change Proposal Document

Customers to fill out all of the information in the sections coloured
Xoserve to fill out all of the information in the sections coloured

A1: General Details

Change Reference:	XRN5299	
Change Title:	Future Billing Methodology (analysis only)	
Date Raised:	02/12/2020	
Sponsor Representative Details:	Organisation:	Cadent
	Name:	James Whitmore
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Xoserve Representative Details:	Name:	Victoria Mustard
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	Business Owner:	TBC

Change Status:	☐ Proposal	☒ With DSG	☐ Out for Review
	☐ Voting	☐ Approved	☐ Rejected

A2: Impacted Parties

Customer Class(es):	☐ Shipper	☒ Distribution Network Operator
	☒ NG Transmission	☐ IGT
	☐ All	☐ Other [<If [Other] please provide details here>]
Justification for Customer Class(es) selection	The existing UK-Link Energy Balancing, Capacity, meter point allocation, reconciliation, invoicing and, their associated business processes will be impacted.	

A3: Proposer Requirements / Final Change

Problem Statement:	Cadent's continued work on its Future Billing Methodology (FBM) Project now requires Xoserve to undertake a re-assessment of the further defined conceptual requirements. The options require further assessment to determine the best approach and measures to unlock potential to de-carbonise heat using existing gas networks. Cadent (and the other DNs) recognise elements of this project will impact Xoserve systems and business processes. There are three solution options that Xoserve is required to re-assess:

	• **Pragmatic solution** * discrete CV Zones within LDZs for embedded entry points such as existing and new biomethane sites, and other potential embedded supplies such as BioSNG, Hydrogen Blend and Shale Gas • **Composite solution:** * CV zones for each and every input point to the LDZ, so each LDZ broken down into "x" number of CV zones • **Ideal solution:** * as for Composite, but with attribution of CV data from CV measurement points to smart meters via DCC. * it is recognised that the additional data items and channels would potentially involve a number of changes outside the Nexus billing system, but CV would be attributed across DN networks to Supply Meter point data via DCC, as for smart meter reads, as distinct from X-ref tables within the billing system. * We would expect that the Ideal solution would only be achievable in the longer term. Key questions to be considered in providing an initial assessment of the conceptual solutions and identifying costs are; • If LDZs were sub-divided into CV zones how would Xoserve systems, processes and data be impacted? • What would be the most efficient process to support a daily CV regime linkage to reconciliation, settlement and invoicing • Would it be cost effective to "evolve" between solutions over time, or to go straight to Composite? (Bearing in mind that Ideal • would be a longer-term solution)	
Change Description:	As per the attached Cadent document: CADENT NIC04 - FBM CHANGES FOR XOSERVE Note: Xoserve has previously provided XRN4323 (July 2017) that provided an initial high-level cost estimate. It might be beneficial to use this as a basis for XRN5299.	
Proposed Release:	Not applicable – assessment of costs and development timescales only **Note:** The high-level cost assessment is required for the purpose of informing Ofgem in Cadent's March '21 Stage Gate report (SG1 Report). Therefore, the costs are required, at the latest by 17th February '21.	
	☐ 10 Working Days	☐ 15 Working Days

Proposed Consultation Period:	☐ 20 Working Days	☒ Other [TBC]

A4: Benefits and Justification

Benefit Description:	The primary driver for the FBM Project is to identify a robust, cost-effective option to support the decarbonisation of heat to help meet the UK's 2050 emissions target. The aim is to achieve this using Great Britain's existing gas distribution networks to transport renewable and other low carbon gases without the need for enrichment with fossil-based gases to standardise its energy content (calorific value or CV) for billing purposes.
	What, if any, are the tangible benefits of introducing this change? What, if any, are the intangible benefits of introducing this change?
Benefit Realisation:	The identification of a robust and sustainable solution will afford the DNs with the opportunity to meet their carbon Net Zero ambitions in the event of solution implementation.
	When are the benefits of the change likely to be realised?
Benefit Dependencies:	Changes to the existing Statutory and Regulatory obligations e.g. The Thermal Energy Regulations, GS(M)R, UNC.
	Please detail any dependencies that would be outside the scope of the change, this could be reliance on another delivery, reliance on some other event that the projects has not got direct control of.

A5: Final Delivery Sub-Group (DSG) Recommendations – Removed

(see Section C for DSG recommendations)

A6: Service Lines and Funding

Service Line(s) Impacted - New or existing	N/A – Analysis only		
Level of Impact	Major ~~/ Minor/ Unclear/ None~~		
If None please give justification			
Impacts on UK Link Manual/ Data Permissions Matrix			
Level of Impact	~~Major/ Minor/~~ Unclear/ ~~None~~		
If None please give justification			
Funding Classes :	Customer Classes/ Funding	Delivery of Change	On-going Budget Amendment
	☐ Shipper	XX %	XX %
	☐ National Grid Transmission	XX %	XX %

	☒ Distribution Network Operator	XX %	XX %
	☐ IGT	XX %	XX %
	☐ Other <please specify>	XX %	XX %
ROM or funding details:	To be funded through DSC budget investment lines		
Funding Comments:			

A7: ChMC Recommendation – Initial Review

Change Status:	☒ Approve	☐ Reject	☐ Defer
DSC Consultation Issue:	☐ Yes	☒ No	
Meeting Date:	10/02/2021		

A7: ChMC Recommendation

Change Status:	☐ Approve	☐ Reject	☐ Defer
Industry Consultation:	☐ 10 Working Days	☐ 15 Working Days	
	☐ 20 Working Days	☐ Other [Specify Here]	
Expected date of receipt for responses (to Xoserve)	XX/XX/XXXX		

DSC Consultation Issue:	☐ Yes	☐ No
Date Issued:	Click here to enter a date.	
Comms Ref(s):		
Number of Responses:		

A8: DSC Voting Outcome

Solution Voting:	☐ Shipper	Please select.	
	☐ National Grid Transmission	Please select.	
	☒ Distribution Network Operator	Please select.	
	☐ IGT	Please select.	
Meeting Date:	Click here to enter a date.		
Release Date:	Release: Feb / Jun / Nov XX or Adhoc DD/MM/YYYY or NA		
Overall Outcome:	☐ No	☐ Yes	If [Yes] please specify <Release>