

WHOLESALE-RETAIL CODE CHANGE PROPOSAL

Change Proposal Reference <i>(To be completed by the Panel Secretary)</i>	DCP021	Version No	0.1
Type of Change Proposal: <i>(delete as appropriate)</i>	Change Proposal		
	Charging Change Proposal		
Submission Date	16 January 2019		
Title: of Change Proposal/Charging Change Proposal	Changes to corrective settlement run for individual supply points		
Summary: of Change Proposal/Charging Change Proposal <i>(40 to 50 Words Maximum)</i>	This change proposal seeks to amend the current requirements in the Market Terms to enable corrective settlement runs to be completed on a selection of supply points (SPIDs).		
General Details of the Proposer			
Name of Proposer	Emma Taylor		
Capacity (to submit Change Proposals and Charging Change Proposals – on behalf of a Party, as a Panel member, as the customer representative, or the Market Operator or on behalf of the Authority; or Charging Change Proposals – on behalf of a Wholesaler).	On behalf of the Trading Dispute Committee (TDC)		
Contact Email	Emma.Taylor@mosl.co.uk		
Telephone Number			
The Proposer recommends that this Change Proposal/Charging Change Proposal should initially: <i>(delete as appropriate)</i>	Proceed to Assessment		
	Proceed to Consultation		
	Proceed to Recommendation		
Is the change Urgent (Yes/No)? If yes, please provide reason for urgency (if applicable)	No		

Related Documents	
Reference of any associated Code Panel Change Proposal/ Charging Change Proposal	
Documents Accompanying Form	
Change Proposal/ Charging Change Proposal Details	
Description of (i) the issue or defect which this Change Proposal seeks to address, or (ii) the modified or new charging method or charging structure required pursuant to this Charging Change Proposal, as required under the Market Arrangements Code Section 6.2.1(b).	
<p>In 2018, the TDC reviewed the settlements process in light of dispute runs being requested to enable the correction of settlement charges. These requests would normally be in relation to corrective settlement runs; however, some parties were forced to raise dispute runs, as they were unable to request corrective runs in the required timescales. To address this issue, a change proposal (CPW046) was raised by the TDC to extend the window in which trading parties are able to request corrective settlement runs. CPW046 also reduced the materiality thresholds that are required for corrective runs' requests to be accepted. This change proposal was implemented into the market codes in December 2018.</p> <p>The Request for Information (RFI) through which CPW046 was developed was issued in May 2018 and also requested feedback on allowing corrective runs for individual SPIDs, rather than full wholesale-retail pairings. Responses from trading parties were mixed, as 6 out of 13 respondents were supportive of this change to the settlements process. The Market Operator stated that it processes corrective settlement runs on full wholesale-retail pairings as this delivers a greater accuracy of primary charges. Furthermore, any changes in SPID data included in the wholesale-retail pairing would also be reflected in the new settlement reports.</p> <p>Discussions at the TDC illustrated that, although processing corrective settlement runs on full wholesale-retail pairings has significant advantages, the TDC considers that in its current format, it does not provide full flexibility to trading parties. Trading parties wish to have the option to select the preferred mode of the corrective run (i.e. full wholesale-retail pairings or individual SPIDs). The TDC also indicated that this provision will deliver and facilitate room for bilateral cooperation between trading parties and result in making settlements more accurate. Furthermore, processing settlement runs on individual SPIDs may be less likely to introduce and cause new errors.</p> <p>The TDC therefore considers that the current restrictions on processing corrective settlement runs, of not being able to re-run settlement for only a selection of SPIDs, as inflexible and overly onerous for trading parties.</p>	
Description of the Change Proposal/ Charging Change Proposal, its nature and purpose and (for Change Proposals only) how it is consistent with the Principles and falls within the Objectives noted below, as required under the Market Arrangements Code Section 6.2.1(c).	

The TDC has decided to proceed with a change proposal to amend the current requirements in the market codes for requesting corrective settlement runs for a selection of SPIDs, based on any specific invoice period. This change will ensure that trading parties are able to either request settlement re-running on full wholesale-retail pairings or individual SPIDs.

The market code documents that will require amendment are:

- CSD 0201: Settlement Timetable and Reporting
- CSD 0207: Charge Calculation, Allocation and Aggregation
- WRC Schedule 1, Part 2: Business Terms
- WRC Schedule 1, Part 4: Market Terms

Where trading parties agree to opt for corrective settlement runs for individual SPIDs, certain conditions will need to be met the current conditions specified for a requesting any corrective settlement runs.

- Trading parties will need to agree on the type of run
- The SPIDs included in the run must meet the conditions specified for requesting a corrective settlement run
- Only applicable to 'R' runs

The TDC also proposes that a threshold be introduced for the number of SPIDs that can be requested in a corrective settlement run where a full wholesale-retail pairing is not being run. Current technical constraints in CMOS limit the number of individual SPIDs that can be listed in any given settlement run to 72. **Where the threshold (i.e. x a certain number i.e. 2 or 3 or another cap tbc) is breached, trading parties will be required to revert to a full wholesale-retail pairing.**

Principles and Objectives

Description of the principles and objectives affected by the Change Proposal on the items below (if applicable) as detailed in Part A of Schedule 1 Part 1: Objectives Principles and Definitions.

Principles	Affected (Y/N)	Description
Efficiency	Y	Provides trading parties with flexibility in terms of deciding the mode of corrective run.
Proportionality		
Transparency		
Simplicity, cost-effectiveness and security	Y	Minimal extra cost is incurred by trading parties to request a corrective run solely based on a selection of SPIDs. Reduces the risk of other immaterial errors introduced into the corrective run.
Barriers to entry		
Non-discrimination		
Customer participation		

Customer contact		
Seamless markets		
No limit on upstream competition		
Business Terms Objectives		
Operational Terms Objectives		
Market Terms Objectives		
Description of the impact of the Change Proposal/ Charging Change Proposal on the following items, as required under the Market Arrangements Code Sections 6.2.1 (f), (g) and (h).		
Configured Item	Impacted (Y/N)	Description
Schedule 1: Terms and Conditions of a Wholesale Contract		
Wholesale-Retail Code, Schedule 1 Part 1 (Objectives, Definitions and Principles)		
Wholesale-Retail Code, Schedule 1 Part 2 (Business Terms)		
Wholesale-Retail Code, Schedule 1 Part 3 (Operational Terms)		
Wholesale-Retail Code, Schedule 1 Part 4 (Market Terms)		
Wholesale-Retail Code, Schedule 1 Part 5 (CSDs)		
Wholesale-Retail Code, Schedule 1 Part 6 (Operational Forms)		
Appointment		
Licence		
Any other industry code, agreement or document (e.g.		

the Wholesale Contract or the MOSL Articles) (please specify)		
Central Market Operating System		
Trading Party systems which interface with Central Systems and other relevant Trading Party systems/ business processes.		
Scottish Core Industry Documents		
Further Information		
Description of any discussions on the topic of the Change Proposal/ Charging Change Proposal at the User Forum (as relevant) or otherwise relevant discussions with parties, as required under the Market Arrangements Code Section 6.2.1(i).		
Further Comments		

Key	
	To be completed by the Market Operator
	To be completed by the Proposer