

Market Change Request 1185			Small Supplier Categorisation		
Status	Approved	Priority	High	Status Date	04/01/2017

Date	Version	Reason for Change	Version Status
26/10/2016	1.0	Issued to Market	Final

Part 1 DETAIL OF DISCUSSION REQUEST / MARKET CHANGE REQUEST			
Requesting Organisation(s)	RMDS	Originating Jurisdiction	RoI
Request Originator Name	Jessica Gregory/Jim Mahony		
Date Raised	06/10/2016		

Classification of Request			
Jurisdictional Applicability	RoI	Jurisdictional Implementation	RoI Specific
If jurisdictional implementation is for one jurisdiction only – is the other jurisdiction required to effect any changes?	No	Co-Ordinated Baseline Version No.	TBC
Change Type	Non-Schema Impacting		

Detail of Request
Reason for Request
<p>Background</p> <p>The Retail Electricity Market has developed significantly since 2005. Currently there are 5 categories of suppliers within the Irish Retail Market, 3 of which have existed since 2005</p> <ul style="list-style-type: none"> • Self Supplier • DSU • Small Supplier • Large Supplier • Export Only Supplier – Introduced in 2015 <p>An area which we have witnessed change is with Small Suppliers business models.</p> <p>The current definition of a Small Supplier is a Supplier that has, or intends to have within the foreseeable future, no more than 200 metering points registered and no more than 10MW power supplied at peak demand. Within the category the Supplier must indicate which segment(s) of the market they are entering.</p> <ul style="list-style-type: none"> • Quarterly Hour (QH) • Non Quarterly Hour (NQH) • Unmetered • PMP? <p>The structure of the Small Supplier category was determined in 2005. It was developed on the basis of recommendation by the Assurance body at the time. The recommendation of the category criterion of 10MW threshold of power supplied at peak demand appeared appropriate for the profile of supplier intending to operate with up to 200 sites. The recommendation was also based on the assurance body experience of other jurisdictions in particular the UK market at the time.</p> <p>The experience in the Retail Market is that Small Suppliers opt for both QH and NQH segments but the number of sites registered by each Small Supplier is significantly below the 200 site threshold. The total energy usage with QH sites will in general exceed that of NQH sites.</p> <p>Suppliers entering the Retail Market who indicate that it is their intention to exceed the 200 metering points in the future would be advised to qualify as a Large Supplier from the outset.</p> <p>The categorisation of Suppliers is different in other jurisdictions, in the UK a Supplier is not distinguished by energy volume into Small or Large. A Supplier is only categorised as a domestic or non-domestic supplier (categorised by</p>

profile class (00 to 08) – based on how much energy a registered premise will record over the period of a year)

Over the last year we have witnessed a change in Small Suppliers business models which gave rise to questions in relation to the set of criteria that has to be met to qualify and also the operating conditions for the Small Supplier category specifically in relation to the limit of 10MW power supplied at peak demand.

As the Retail Market has evolved since 2005 both existing Market Participants who are categorised as Small Suppliers and prospective New Entrants to the Retail Market have developed business models which has a small number of sites significantly <200 but with potentially an energy usage of the sites exceeding 10MW power supplied at peak demand

Currently if a Small Supplier exceeds either of the thresholds applicable to their approval they will be subject to Re-qualification so that they may continue to operate now in the role of a Large Supplier. The scope and the depth of the Re-qualification for Small Supplier to a Large Supplier in the Retail Market is determined by the Assurance Body. There is financial and labour costs associated with Re-qualifying from Small to Large Supplier both for the Supplier and RMDS (ultimately CER).

That said, the 10MW measure is a difficult criterion to measure, monitor and police. To date, this threshold has not been measured and policed and relies on the goodwill of a supplier to contact RMDS in relation to exceeding the limit.

The current structure of the Small Supplier category does not facilitate the business model of a Supplier having a small number of sites registered but energy usage greater than 10MW power at peak demand. The TIBCO market messaging solution which a Small Supplier would use is based on market message volume per day so total energy usage of the sites has no impact from a technical perspective.

RMDS consulted with Gemserv and underwent significant research in their own right to try to understand any risk to market associated with removing the 10MW threshold from the category. We did not identify any significant risks to removing this category to the operation of the market. That said, we would be open to feedback from other Market Participants, CER and SEMO in relation to this.

In order to assist an evolving market and to facilitate a Supplier with a particular business model qualifying and operating within the Small Supplier category, it is necessary to review the criteria set for the Small Supplier category in the Retail Market in relation to the 10MW threshold

Proposed Solution

The proposal is to change the current categorisation and assurance approach within the Small Supplier category and introduce a sub category (for assurance purposes) to the small Supplier Categorisation. The sub categorisation is based on the segments for qualification and the overall business model that the New Entrant intends following.

The high level business model intended by a new Entrant will determine which type of small supplier model, segment and associated assurance is appropriate. There are 3 high level models that we have seen emerging in the small supplier arena. These are:

- SS (1) Small number of large power use sites (generally QH) up to 200 MPRNs
- SS (2) Large number of low power use sites (NQH) up to 200 MPRNs
- SS (3) Combination of predominantly low power use sites and some few large power use sites (NQH and QH) up to 200MPRNs

These 3 high level models will allow for improved quantitate reporting with regard to the Small Supplier category

New Role Type Requirements :

- The threshold of < 200 sites registered will continue to be part of the criteria in qualifying and operating as a Small Supplier in the Retail Market at all times.
- The threshold of 10MW power supplied at peak demand will not apply as criteria for operating in the Retail Market in the Small Supplier category where a Supplier indicates that their business model is one which is a small number of customers but where there will be greater than 10MW power at peak demand.
- The Small Supplier will indicate which of the Retail Market segment(s) they wish to qualify to operate in
 - Quarterly (QH)
 - Non Quarterly Hour (NQH)

- Unmetered
- PMP
- The Assurance Body will determine the assurance assessment required for each Small Supplier entering the Retail Market taking into account the segment(s) which the Supplier is qualifying and the business model which the Supplier intends to use. This will allow for a tailored assurance assessment for each Small Supplier type.
- If a Supplier is qualified in one sector (NQH only or QH only) and intends changing their business model to accommodate a different customer type, they will be required to undergo a requalification for a new market segment.
- The scope of Change to Design Documentation relates to amendments to the Market Assurance and Market Entry Documentation

Scope of Change

Jurisdiction	Design Documentation	Business Process	DSO Backend System Change	MP Backend System Change	Tibco	Supplier EMMA	Schema	Webforms	Extranet/NI Market Website
ROI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Co-Ordinated Baseline Market Design Documents Impacted by Request

Market Messages

Message No.	Message Name	CoBL	ROI	NI
No Impact	No Impact	No Impact	No Impact	No Impact

Data Definitions

No Impact

Data Codes

No Impact

Market Message Implementation Guides

ROI	Yes/No	NI	Yes/No
No Impact	Yes	No Impact	Yes

Comments

ROI - Market Process Diagrams – MPDs		
Market Process Diagram Number	Market Process Diagram Description	Affected
None	None	None

NI - Market Procedures		
Market Process Number	Market Procedure	Affected
No Impact	No Impact	No Impact

ROI Guidance Documentation		
Document	Version	Affected
No impact		No Impact

ROI Briefing Documents		
Document/Paper	Version	Affected
No impact		No Impact

User and Technical Documents			
Reference	Name	Version	Affected
No impact			No Impact

Part 2 - Performance and Data Changes	
Market Messages volume, processing etc.	
Data	
Details of Data changes e.g. cleansing	

Part 3 - ReMCoSG / CER Approval		
Approved by	ReMCoSG	CER
Comments		