



OVO Energy
1 Rivergate
Temple Quay
Bristol BS1 6ED

policy@ovoenergy.com
www.ovoenergy.com

To Anna Stacey
Submitted by email only to
Half-HourlySettlement@ofgem.gov.uk

25 June 2021

OVO response to Statutory consultation - proposal to modify the Smart Meter Communication Licence to ensure compliance by the licence holder with provisions of the Balancing and Settlement Code (BSC) relating to Market-wide Half-hourly Settlement (MHHS) implementation

Dear Anna,

OVO is supportive of the aims of this consultation. We agree that Smart DCC Limited must be subject to the same obligations as other programme parties to ensure the effective and timely implementation of MHHS.

Given the key role that Smart DCC Limited has in the delivery of the central DCC systems, we agree that they need to comply with the MHHS implementation provisions planned to be placed in the Balancing and Settlement Code (BSC).

Having reviewed the duty to cooperate provisions and the proposed licence amendment, we fully support the proposed changes. However, we note key areas where given DCC must take all reasonable steps, we believe further clarification is required in the BSC code obligations. We have responded separately to the MHHS Programme Implementation and Governance consultation.

Oversight and compliance - we note that the DCC will not be a Party to the BSC. The key will be the interpretation of the obligations in the BSC and how non-compliance is managed, for effective, efficient, timely resolution. We await sight of the non-compliance processes, as these are not clear from the programme implementation and governance consultation.

Ownership and accountability - OVO is concerned about the effectiveness of Ofgem's proposed SEC changes. In particular, how the MHHS specific changes will interact and be impacted by the existing, congested change programme which at times progresses in lengthy timescales. Experience indicates that delivery of the required smart metering communications changes may prove complicated, lengthy and expensive, working in conflict with the constraints of the limited timescales proposed by MHHS.

We recommend that these timescales should be tested with the DCC for an early indication of risks, scalability and costs. The DCC provision of an updated smart service will be key to the success of the MHHS Programme and for parties who have implemented/migrated on time to be able to meet their obligations. We fully support Ofgem's proposal to make the DCC responsible for ensuring that their agents/3rd parties will act in accordance with the general implementation obligations all other MHHS Participants will have.

Price Control and Cost Recovery - it is not completely clear on how the costs related to DCC activities to meet the BSC obligations will be charged and recovered. We would welcome clarification from Ofgem on whether this is met by the cost recovery via BSC, or an alternative mechanism.

Arbitration - OVO believes that Ofgem should perform the role of arbitration where there are identified conflicts of interest.

Currently, it is not clear how Ofgem would manage conflict, if the MHHS solution is in conflict with something being delivered under SMIP (for example something which affects the delivery of existing smart change or which does not support the security provisions in place). OVO suggests there is consideration of how Ofgem would manage this.

Should you have any questions or would like to discuss our response bilaterally please feel free to contact us at policy@ovoenergy.com.

Kind regards,

Samantha Cannons
Regulation Manager