

Response Form

Implementation and Governance Arrangements for Market-Wide Half-Hourly Settlement Consultation

The deadline for responses is 25 June 2021. Please send this form to HalfHourlySettlement@ofgem.gov.uk once completed.

Organisation: IMServ Europe Ltd

Contact: Paul Akrill

Is your feedback confidential? NO ☒ YES ☐

Unless you mark your response confidential, we will publish it on our website, www.ofgem.gov.uk, and put it in our library. You can ask us to keep your response confidential, and we will respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. If you want us to keep your response confidential, you should clearly mark your response to that effect and include reasons.

If the information you give in your response contains personal data under General Data Protection Regulation (EU) 2016/679 and Data Protection Act 2018, the Gas and Electricity Markets Authority will be the data controller. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. If you are including any confidential material in your response, please put it in the appendices.

Obligations on Parties

1. Do you agree that the balance of the duty to cooperate in licences and the more detailed obligations set out here will be sufficient to ensure that all parties are subject to the right obligations to secure timely and effective implementation of MHHS?

Yes, we believe that the suite of obligations as outlined provide the necessary licence-based and commercial incentives for market participants to engage with the MHHS programme when it is fully up and running.

2. Do you agree that the proposed obligations on all programme parties in respect of MHHS implementation, and the proposed obligations on Elexon in its roles as the BSC code administrator, are sufficiently well defined to ensure that ownership and accountability for implementation of MHHS is clear? If not, how could the proposed obligations be changed to allow this to happen?

At this level, the obligations on all parties appear to be sufficiently clear

3. Do you have any comments on the scope or drafting of the draft obligations themselves? We would appreciate all comments, but suggestions for changes in wording where you think what is proposed does not work would be particularly helpful.

IMServ has concerns that the drafting of the obligations are too IT-centric and miss the wider needs of programme participants to have a clear design baseline to develop services to. MHHS and the new TOM introduces new services, admittedly very dependent on IT to deliver, but new and modified services are at the heart of the specification.

For example, the description of the MHHS DA in 12.7.1 of the Proposed Code Changes describes the design of IT interfaces as its primary purpose, when its role is broader than that – as an industry we also need clear business processes that describe how we use these IT interfaces, both in normal and exceptional cases.

The same can be said for the description of the MHHS SI.

MHHS is more than just an IT project. Whilst the IT delivery is an important component, the wider framework that includes such things as processes, data, performance and service requirements all need to be similarly designed, built and then tested.

Establishing this complete design baseline (not just IT interfaces) as early as possible is essential so that market participants can enter their own design and planning phases knowing that the design is complete and stable.

Placing emphasis on BSCCo providing, and supporting the understanding of, this complete design baseline is essential to the success of the overall programme.

Governance Structure

4. Do you support the governance structure as described in the Market-Wide Half-Hourly Settlement Governance Framework? We welcome all comments, but if you have proposals for changes to the governance structure it would be particularly helpful if you could clearly set out your preferred alternative in any specific area of the governance structure.

Yes, we support the governance structure. We look forwards to seeing more detail of all of the sub-groups and being a constructive part of the process. They will need to be extremely well orchestrated to make the required progress in the prescribed timeframes.

5. Do you agree with the approach of Ofgem designating the governance structure as set out in the Governance Framework as a baselined document in the BSC, that Elexon and all programme parties will have to comply with? If not, can you suggest an alternative method of embedding the governance structure, contained in the Governance Framework, in the programme and providing confidence to all programme parties?

Yes, we agree.

Independent Programme Assurance

6. Do you have any comments on the proposed Assurance Principles?

The Assurance Principles are broad and generally satisfactory. However, we do feel that there could be more emphasis on overall programme cost. Is there a need to establish a cost baseline at the start of the programme so that success can be measured? This should not just cover central programme costs but also an estimate of the whole cost to the industry. Otherwise, how can cost variations be measured?

Ofgem's Role

7. Do you agree that specific thresholds should be set for Ofgem intervention to avoid the risk of Ofgem being drawn into day-to-day management of MHHS implementation?

Yes.

8. Do you agree that Ofgem intervention should be based on the five key criteria of: adherence to the TOM, delivery of benefits and costs, timeliness of delivery, impact on competition and consumer impact? Do you agree with the specific TOM, cost and timeliness thresholds? If not, what others would you propose?

Yes, but see comments on Q6. An accurate cost baseline needs to be established.

9. Are there any other criteria that you consider may warrant Ofgem intervention? Please give reasons why.

None at this stage.

10. Do you also agree that Ofgem should have a role in ensuring that conflicts of interest are properly managed within MHHS implementation?

Yes