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**Emailed to:** [halfhourlysettlement@ofgem.gov.uk](mailto:halfhourlysettlement@ofgem.gov.uk)

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Dear Rachel,

**Governance, funding, and operation of an Event Driven Architecture for Market-Wide Half Hourly Settlement**

Drax Group plc (Drax) owns two retail businesses, Drax Energy Solutions (formerly trading as Haven Power) and Opus Energy, which together supply renewable electricity and gas to over 300,000 business premises. Drax also owns and operates a portfolio of flexible, low carbon and renewable electricity generation assets – providing enough power for the equivalent of more than 8 million homes across the UK. This is a joint response on behalf of Drax Energy Solutions and Opus Energy.

**Governance and Operation**

We believe Elexon are best placed to take responsibility for governing and operating the Event Driven Architecture (EDA) for Market-Wide Half Hourly Settlement (MHHS). Elexon has proven experience of delivering the existing settlement processes and systems. Elexon also adopts open governance arrangements that ensure planned changes are appropriately developed, costed, and consulted on with industry parties. This approach leads to clear, rigorous, and justified decisions and actions. Elexon are also acting as the Programme Manager for MHHS meaning they are best placed to incorporate the delivery of the EDA into the overall programme plan.

Conversely, the Retail Energy Code Company (RECCo) is a new entity, which is still contending with delivering its core requirements and most importantly has no prior experience of Settlement arrangements or systems. We believe RECCo should remain focused on developing its knowledge and experience around its existing core responsibilities rather than take on additional responsibilities at this time. We also have reservations regarding RECCo's ability to ensure value for money given the significant and unexpected increase in RECCo's recent budget forecasts for 2022-2025, and the associated lack of engagement with REC Parties about those increases.

**Funding**

In our view, all parties that interface with and therefore benefit from the implementation of the MHHS Target Operating Model (TOM) should fund the EDA. Moreover, we believe that it is entirely appropriate that funders are the relevant responsible parties to develop the ongoing governance and operational arrangements.

If you would like to discuss any aspect of our response, please do not hesitate to contact us.

Yours sincerely,

**Matt Young**

Group Head of Regulation

Drax Group plc