

Response Form

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

*The deadline for responses is **17 February 2022**. Please send this form to HalfHourlySettlement@ofgem.gov.uk once completed.*

Organisation: Northern Powergrid

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Is your feedback confidential? NO ☒ YES ☐

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Question 1: Do you agree with the proposed criteria for making our decision?

Yes, we agree with the proposed criteria for making the decision.

Question 2: Do you have any views about the relative importance of the criteria?

We are comfortable with the criteria ranking as set out in the consultation, with number one being the most important.

Question 3: Are there any other criteria we should consider in making our decision?

We suggest that experience of the operation of the energy market and, in particular, the balancing and settlement arrangements should be considered as important criteria for making your decision. The MHHS TOM utilises the existing Data Transfer Network (DTN) and the EDA so it is imperative that the existing arrangements are understood fully and conflicts between the two are managed carefully.

Question 4: Should the EDA governing body have objectives to provide accurate and timely support for the settlement process and to further consumers' interests through the appropriately controlled use of data? If not, please provide reasons and set out alternative objectives, also with reasons.

Yes, the EDA governing body should have objectives to provide accurate and timely support for the settlement process and to further consumers' interests through the appropriately controlled use of data. The settlement process is time bound so it is essential that support is accurate and timely and if data can be used to further consumers' interests it should be.

Question 5: Do you agree that electricity suppliers, supplier agents, DNOs, generators, National Grid (NG) ESO, consumers and energy service innovators should be represented in the governance of the EDA? If not, please give reasons. Should any other categories of party be represented in the EDA governance?

Yes, we agree that electricity suppliers, supplier agents, DNOs, generators, National Grid (NG) ESO, consumers and energy service innovators should be represented in the governance of the EDA. We do not consider it to be necessary for any other categories of

party to be represented in the EDA governance.

Question 6: Do you agree that electricity suppliers, supplier agents, DNOs, generators and NG ESO should all take a share in funding the EDA? If not, please provide reasons. Should any other categories of party take a share in funding the EDA? We would be interested in any proposals as to the proportions by which the funding requirement should be shared between these parties.

We agree that electricity suppliers, supplier agents, DNOs, generators and NG ESO should all take a share in funding the EDA. We believe that similar arrangements for the apportioning of funding should be made to those that already exist in the BSC and REC. i.e. parties should fund the arrangements based upon their usage of the service.

Question 7: With reference to each of the criteria and objectives, including any additional ones you propose, to what extent do you agree that the governance, operation, and funding of the EDA should be managed through BSC and delivered by Elexon?

We agree that the governance, operation, and funding of the EDA should be managed through BSC and delivered by Elexon.

As the Senior Responsible Officer (SRO) for the MHHS programme, Elexon has been involved from the start and understands the requirements of the programme.

Elexon is the settlement industry expert, is well established, and has a proven track record as an organisation in both delivering and leading change.

The EDA will form part of the settlement process which Elexon operates. Consequently, Elexon has extensive knowledge of the existing arrangements and the changes required for the MHHS programme.

Question 8: With reference to each of the criteria and objectives, including any additional ones you propose, to what extent do you agree that the governance, operation and funding the EDA should be managed through the REC and delivered by RECCo?

Although RECCo appears to be innovative and forward thinking, we do not believe it has the expertise, experience as an organisation or bandwidth and, as result, we do not agree that the governance, operation, and funding of the EDA should be delivered through the REC and

delivered by RECCo.

RECCo was initially formed to support the industry changes required as a result of the Faster Switching programme. Faster Switching go-live is planned for July 2022 which will undoubtedly increase the level of REC changes once it is in operation.

In addition, RECCo is already responsible for a number of services and we believe RECCo should concentrate on embedding those services and supporting the industry post-Faster Switching go-live rather than risk delivery of the EDA and the MHHS programme.

RECCo has had minimal time in the industry (having being formed in 2021) and it is an unnecessary risk to the EDA, given its scale, for it to be managed through the REC and delivered by RECCo .

As RECCo has an outsourced service model, those involved in provision of the services do not have the experience of the settlement arrangements nor do they have an understanding of the requirements of the MHHS Programme.

Question 9: Is there any other governance mechanism and party that you consider would be better placed than BSC/Elexon or REC/RECCo to govern, operate and fund the EDA? If there is, please substantiate your response by reference to each of the criteria and objectives (including any additional ones that you propose).

No, not that we are currently aware of.