

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:

Contact:

Is your feedback confidential? NO ☒ YES ☐

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

ElectraLink agrees that the overall delivery of the Event Data Architecture (EDA) will need to include a party responsible for each of the assessment criteria proposed in the document.

However, in our response to question 9, we have outlined that we believe that the governance of the EDA, as well as elements of the management and delivery of the infrastructure aligned to the EDA can be separated to provide a whole system cost benefit. This is specifically in reference to the delivery of the hybrid DTN / DIP infrastructure supporting MHHS and the future transformation of industry processes into an EDA.

This would mean that criteria associated with the technical delivery of the EDA infrastructure solutions, i.e. the Data Integration Platform (DIP), could be placed on a central system delivery body. These would include:

3: Customer onboarding

9: Ability to ensure security and privacy of the service to an accreditable and certifiable standard

10: Information Security and Quality Assurance capability covering Disaster Recovery and cloud management capability.

11: Ability to operate the service that does not distort competition and provides a level playing field.

Other criteria focussed on total cost and implementation of strategic aims could be considered across both the EDA governing body and the central systems delivery body.

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

ElectraLink considers that all the criteria have importance in relation to the governing body of the EDA and associated infrastructure. However, we believe criteria 2 (strategy) and 7 (total cost) have the highest impact on the ongoing operation of market processes adopting an EDA. Therefore criteria 2 and 7 require the greatest consideration to ensure that the governing body of the EDA can support market transformation.

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

An additional criterion to consider is the impact of deployment of the EDA and associated infrastructure alongside existing market infrastructure to ensure that the deployment of the EDA does not cause unnecessary cost duplication or unforeseen additional costs due to the creation of stranded liabilities. An example of this is the potential expansion of the EDA to include processes in addition to MHHS and the impact of this on the delivery and cost recovery of the DTN / IX or other data transfer infrastructure.

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.

ElectraLink agrees that the governing body of the EDA should have these objectives as described in the consultation.

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?

ElectraLink believes that the parties represented here are the right representatives for the scope of MHHS in relation to the EDA. We believe that it might be appropriate to consider an option for 'open governance' whereby any interested party can raise a change request for industry consideration if they are not represented in this list.

Industry participants outside of retail or energy may want to evolve or expand the scope of the EDA to include heat, electric vehicles, or other sectors, such as Water. It would be appropriate for these parties to raise changes to allow them to connect to the EDA; however, it may not be relevant for these parties to raise a change to codes, such as the REC or BSC, which do not represent their sector or interests. Therefore, there must be a mechanism to expand the EDA to include new participants to the technology architecture without necessitating changes or accessions to the codes. We believe this is achieved by providing the central systems a mechanism to change their systems according to industry need, with appropriate industry governance and oversight.

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.

ElectraLink agrees that these industry parties are those that should be responsible for the ongoing funding of the settlement component of the EDA, but that this should be open to change as the EDA moves forward and widens in scope. We have no views to the proportions of funding shares.

ElectraLink believes that the following funding principles for additional services should be adopted:

1. Services that have a whole system benefit should be funded through a shared industry funding mechanism.
2. Services that benefit a particular group or party should be funded by that party or group
3. Optional services, or ones that benefit individual organisations should be funded on a User Pays basis.

ElectraLink agrees with Ofgem's view that data access for energy innovators should be funded through individual charges, as per our principle 3 above, and not through ongoing funding shares. This access to data is essential for innovators, and for realising the potential of open data across the energy industry.

ElectraLink believes that for other users – not represented by a code – there should be alternative funding mechanisms where they can pay to create additional services and create value for their organisation from the EDA

architecture. If this specific request does not have the whole systems outcomes that would justify it being funded through the shared industry funding mechanism and other funding parties did not require this change, then these specific parties should be able to make the change but pay for the change themselves. An example of this is the 'user pays' mechanism under the DTSA where ElectraLink can provide additional services as requested by the DTS user group or non-DTS parties, but the 'user' who requests the change or the group of parties they represent that want the change have to pay for it. In this way, innovators and third parties are supported, without adding unnecessary costs to end consumers and other industry parties.

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 believe that both the REC and the BSC meet the assessment criteria, and that they both display strengths across the criteria. ElectraLink does not have a preference and are supportive of the governance landing in either code providing the successful code can respond quickly to changing market conditions and is focussed on outcomes rather than process.

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?

We believe that both the REC and the BSC meet the assessment criteria, and that they both display strengths across the criteria. ElectraLink does not have a preference and are supportive of the governance landing in either code providing the successful code can respond quickly to changing market conditions and is focussed on outcomes rather than process.

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).

As previously stated, ElectraLink are fully supportive of adopting an EDA as the architectural principle to support the operation of the transforming energy market

ElectraLink are also fully supportive of the governance of the EDA being in an industry code that will endure and that has a strong focus on innovation, improvement, and technical competence. This model (albeit split across REC and BSC) has managed the previous architecture principles of flat file data transfer to support market operation.

ElectraLink feel that there is a difference between the governance of the architecture principles (EDA) and the actual delivery of the infrastructure (DIP) based on those principles. A separation of the two is required to ensure best in class governance is combined with best-in-class infrastructure delivery and operation.

As one of the current providers of industry data infrastructure we have an obligation to consider our stakeholders and the impact of both a hybrid EDA / Flat File architecture and the delivery of a hybrid DTN / DIP solution. We need to put forward that the two should be considered in parallel so that the managing up of the DIP can be done in conjunction with the managing down of the DTN. This needs to be both a technical and financial consideration if we are to ensure lowest total cost to deliver and operate.

ElectraLink therefore feel that the delivery of the DIP should be considered under the emerging principles of Central Systems Delivery in parallel to the governance of the EDA being operated under the principles of Code Management. We feel that the DTSA could be a Central Systems Vehicle to allow not for profit delivery and management of the DTN and the DIP in parallel. This would allow the delivery costs recovered under the existing cost recovery mechanism of the DTSA, while enabling synergies to be recognised between the two infrastructure platforms as the data traffic is moved from DTN to the EDA. Ultimately this could facilitate a controlled exit from the DTN. The DTSA is already operating under a licence condition which is a proposed principle of Central Systems Delivery.

Delivering the infrastructure of the EDA through the DTSA mechanism would meet the following evaluation criteria in conjunction with the chosen EDA governing body

1: Extent to which the organisation's remit can support the governance, funding, and operation of the EDA, now and in the future:

The DTSA currently delivers the funding and operation of the data transfer infrastructure supporting current market operation and would operate under the requirements of the EDA governing body

2: Strategic long-term fit of the EDA within future energy system architecture:

The DTSA facilitates the technical evolution of infrastructure as demonstrated by the transformation of the DTN to a cloud platform. The strategy for the DTN would be aligned directly to the strategic direction of the EDA. The delivery of the EDA would be defined by the EDA governing body.

3: Experience and capabilities relevant to procuring and overseeing a system similar to the EDA:

The DTSA has delivered the data transfer infrastructure supporting the retail market for over 20 years and has ensured it meets all the architectural principles and change requirements managed by the BSC, MRA, SPAA and REC during this time.

4: Ability to put appropriate funding mechanisms in place for the EDA in a timely manner:

The DTSA already manages the cost recovery funding arrangements for the current data transfer infrastructure supporting REC and BSC. This can be extended to the funding arrangements defined by the EDA governing body.

5: Ability to put appropriate governance arrangements in place:

The DTSA would be subject to the governance arrangements managed by the EDA governing body.

6: Stakeholder Relationships:

The DTSA manages stakeholders in relation to technical delivery to ensure change programmes are co-ordinated and don't have unintended consequences.

7: Value for money, efficiency including 'whole of system' efficiency, and cost effectiveness &

8: Synergies with other services provided by an EDA operator:

Delivery of infrastructure through the DTSA is provided on a not-for-profit cost recovery basis. Co-delivery of the DTN and the DIP can provide synergy and total cost benefits as services are ramped up and down providing delivery at lowest total cost for market participants.

9: Ability to ensure security and privacy of the service to an accreditable and certifiable standards:

Required accreditations and standards for part of the service delivery schedules of the DTSA these would be specified by the owner of the governance arrangements of the EDA

10: Information Security and Quality Assurance capability, covering Disaster Recovery and other Cloud Management capability:

The DTSA covers this arrangement for the current data transfer arrangements and would be subject to the requirements of the EDA governing body in relation to the EDA.

11: Ability to operate the service in a way that does not distort competition and provides a level playing field:

The DTSA has evolved with the market to facilitate a range of different connection types, technologies, and cost points. We would envision the same approach to the delivery of an EDA based infrastructure based on the requirements of the EDA governing body.