

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: Stark

Contact: James Murphy

Is your feedback confidential? NO ☒ YES ☐

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

We mostly agree with the proposed assessment criteria.

In assessment **criteria 3**, we do not agree that the the EDA operator should have capabilities for data discovery, publishing and transparency processes. Under MHHS, data will be significantly more open and there will be multiple routes for anyone to access consumption data:

- BSC Central Systems
- Suppliers
- Data Services under the TOM
 - Advanced Data Service
 - Smart Data Service
 - Unmetered Data Service

Similarly, wider energy system data will also be accessible via multiple routes:

- Registration Service
- Distribution Companies
- BSC Central Systems
- National Grid ESO

All of the above have processes in place to evaluate and respond to requests for data. Importantly, this includes safeguards to ensure the release of any data does not negatively impact competition or discriminate against a particular class of participant. Therefore, building this type of data access capability into the EDA would be an unnecessary, expensive complication that consumers would ultimately pay for.

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

In our view, it is tantamount for the the service to be operated in a way that does not distort competition and provides a level playing field for all participants (**Criteria 11**). Allowing the operator to sell commercial services off the back of data that its customers have paid to make available to them is effectively a cross-subsidy and would significantly distort competition. Existing data monopolies are doing this today without due regard for the impact this has on competition. Therefore, this must be avoided with the EDA and the governance arrangements should not allow for any commercialisation. All energy system and consumption data can be obtained via other means under the MHHS TOM.

Criteria 7 – value for money, efficiency and cost effectiveness is equally important.

Criteria 9 & 10 – considering the importance of the EDA to the operation of not just settlement but the retail market as a whole, security, privacy and quality assurance, including disaster recovery, are vital. The service needs to be able to recover from outages/downtime quickly and robustly.

Criteria 2 – if the EDA becomes a multi-utility platform then it is important for the operator/governance body to be unbiased and treat all utilities equally.

All other criteria are the minimum requirements for the service to be established.

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

None that we can identify.

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.

The EDA should have a clear and strict regulatory purpose to support data exchange between energy system participants and assets. Thus, the sole objective of any governing body should be the efficient and cost effective delivery of this core service.

Under MHHS, **anyone** will be able to access consumption data from a variety of sources:

- BSC Central Systems
- Supplier
- Data Services under the TOM;
 - Advanced Data Service
 - Smart Data Service
 - Unmetered Data Service

Similarly, wider energy system data will also be accessible via multiple routes:

- Registration Service
- Distribution Companies
- BSC Central Systems
- National Grid ESO

All of the above have processes in place to evaluate and respond to requests for data. We therefore do not believe that the second objective is required as it is effectively discharged elsewhere under the MHHS TOM – energy data will become sufficiently open. The remit of the EDA should remain narrow and clearly defined to ensure costs are continuously managed down and scope creep that would be detrimental to existing competitive markets does not occur.

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.

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.

Yes, however, it may be more appropriate for some parties to pay operating costs rather than setup costs.

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 Elexon is capable of fulfilling all assessment criteria. However, their role should be purely regulatory and not commercial in any way.

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 RECCo is capable of fulfilling all assessment criteria. However, their role should be purely regulatory and not commercial in any way.

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.