



Making a positive difference
for energy consumers

All Electricity Supplier Licence
Holders and their relevant service
providers

Email: half-hourlysettlement@ofgem.gov.uk

Date: 13 October 2022

Dear Electricity Supplier

Request for Information to inform the DCC's options analysis for the capacity requirements to support the implementation of Market-wide Half Hourly Settlement

On behalf of the Gas and Electricity Markets Authority, Ofgem is writing to electricity suppliers and their service providers to seek information to support DCC's options analysis for the capacity requirements to support the implementation of Market-wide Half Hourly Settlement (MHHS). The specific information we are requesting from you is set out in the Annex below.

This information is being requested on a voluntary basis pursuant to the Gas and Electricity Markets Authority's general market monitoring functions under section 47 of the Electricity Act 1989. You should note that the information we receive may be used for any purposes relating to Ofgem's functions.

Background

During its deliberations of the Final Modification Report, the Authority concluded that there was not sufficient information to make a decision on SEC Modification MP162. MP162 was sent back to the SEC Panel with a request for the proposal to focus on the costs associated with the creation and implementation of the MDR role into the SEC.

Separately to the MP162 send-back activity, the Authority has directed DCC¹ 'to undertake additional analysis to identify and plan the delivery of the system capacity needed to deliver the requirements of the MHHS Target Operating Model (TOM) and to provide the Authority with a recommendation of the most suitable approach and the associated costs.' This will include topics previously discussed within the MP162 working group.²

¹ [Direction to the Smart Data Communications Company \("DCC"\) under paragraph 12.12\(1\)\(h\) of the Balancing and Settlement Code \("BSC"\) to commence work on the capacity changes needed to deliver Market-wide Half-Hourly Settlement \("MHHS"\)](#).

² [Modification MP162 » \(smartenergycodecompany.co.uk\)](#).

Confidentiality and disclosure

Any information provided to Ofgem which relates to the affairs of an individual or a particular business will be subject to statutory restrictions on disclosure under section 105 of the Utilities Act 2000. However, you should note that there are exceptions to the statutory restrictions, including where the disclosure is necessary to facilitate the statutory functions of Ofgem (such as publishing information to promote the interests of consumers) or other public bodies.

Ofgem cannot provide any assurances in relation to the treatment of information which may be the subject of a request made under the Freedom of Information Act 2000 ('FOIA'). However, Ofgem will always consider whether the statutory restrictions on disclosure apply to the requested information and therefore whether one or more of the FOIA exemptions apply.

Ofgem intends to share material from the responses to this request in an anonymised and /or aggregated format with the DCC to inform their analysis to determine the most appropriate solution to deliver the capacity requirements to support the implementation of the MHHS Programme. As Ofgem is the sponsor of this Programme we are keen to ensure that all the relevant information is made available to the DCC. Before deciding whether to share any information relating to the affairs of a particular licence holder or business, Ofgem is required to consider whether it is appropriate to redact any information on the basis that the information would or might, in our opinion, seriously and prejudicially harm the interests of that person ("confidential information"). To enable Ofgem to conduct this assessment, we would ask that you indicate in your response whether you consider any information to be confidential information and provide brief reasoning in support of your views. **Please note: by providing us with the information requested in this voluntary RFI you are consenting to our sharing this information with DCC.**

Your response

Please provide a single response to this information request. Please email the responses to Half-HourlySettlement@ofgem.gov.uk by **5pm on Friday 28 October 2022**.

Where a licence holder is part of a corporate group with multiple electricity supply licences, we request that one consolidated reply is provided to us on behalf of all the relevant licence holders which received the information request. If any "white label" suppliers operate through your electricity supply licence, please include in your response any costs that they expect to

incur. If this is commercially confidential, please arrange for any associated white label supplier(s) to provide this data directly to Ofgem.

In the event of a potential failure to comply with this Notice, we will consider the options available to us, including the possibility of taking enforcement action in line with our Enforcement Guidelines.

If you have any questions about this Notice, please contact Half-hourlySettlement@ofgem.gov.uk, Jenny Boothe (email: jenny.boothe@ofgem.gov.uk) or Andy MacFaul (email: andrew.macfaul@ofgem.gov.uk).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rachel Clark', written in a cursive style.

Rachel Clark

Deputy Director, Retail Systems and Processes

Information Request

Question 1

SEC Appendix E 'DCC User Interface Services Schedule' defines the target response times (TRT) for Service Requests (SRs) for DCC Users (both Scheduled and On-Demand SRs). All Scheduled services have a 24 hour TRT. The MHHS programme team have confirmed that for any data collected to support the MHHS service there is no requirement for any shorter TRTs than the existing SEC defined TRT of 24 hours. In addition to this SEC codified requirement there is an informal operational working practice for Energy Suppliers to receive scheduled read collection responses prior to the start of the operation day (circa 08:00am – 8 hours), which is carried out by DCC on a reasonable endeavours basis under this informal, non-codified arrangement.

DCC understands that this informal operational working practice was created to suit Energy Supplier business processes and allows system availability for install and commissioning of new smart devices during the working day³. However, changes to this existing informal arrangement could support reduction of the DCC peak demand levels, spreading demand across the day and therefore reduce associated costs.

Recognising that the working practice is neither codified nor a requirement of the MHHS Programme, please can you provide Ofgem with information about the impact of removing this working practice from current arrangements.

1. What are the impacts of DCC changing the existing informal operational working practice regarding the schedule window to no longer provide scheduled SRs within the first 8 hours of the day and alternatively providing this information within the 24 hour⁴ target response time as defined within the SEC? The assumption is that Energy Supplier systems would be able to receive responses to scheduled SRs at any time during the 24 hour period. Please provide the following:
 - a. Describe the constituent nature of change required and the rationale for change given the nature of Code obligations (if any).
 - b. What is the Rough Order of Magnitude (ROM) costs relating to design and implementation of any associated change? Please provide detail of what these costs relate to, for example capex costs, IT development costs, staff upskilling.

³ As described within the MP162 Final Modification Report.

⁴ A 20 hour window is more likely given requirements for system maintenance during the last four hours of the day. System use will be smoothed by the Data Service Provider (DSP) as much as possible during the period to avoid peaks.

- c. What are the ongoing ROM cost impacts to your operational systems and processes? Please provide detail of these impacted processes and the nature and scale of change.
- d. Are there any other cost impacts to you as a participant? If so, please define what these are and provide supporting detail.
- e. Please explain any non-cost impacts, for example impacts to customer experience.
- f. What timescales are required to design, build, test and implement this change?
- g. Do you have any other comments? If you do, please provide them here.

Question 2

Presently, DCC Users access SRs on a number of different live DUIS versions and it is a user decision on when / whether to uplift to a more recent version. An early discussion point of the MP162 workgroup was whether to introduce a 'flag' to relevant SRs that are for the purposes of MHHS. This would enable DCC to utilise this MHHS flag in scheduling MHHS SRs. To do this DCC Users, specifically Energy Suppliers, would need to uplift to a new DUIS version. Note: this would also require further modification to the SEC to implement.

2. Please use your experience (where possible) of when you have previously undertaken an uplift to a newer version of DUIS? Please explain this in terms of:

- a. What was the rough Order of Magnitude (ROM) costs relating to design and implementation associated with this change for Energy Suppliers? Please provide detail of what these costs relate to, for example capex costs, IT development costs, staff upskilling.
- b. Were there any ongoing ROM cost impacts to operational Energy Supplier systems and processes? Please provide detail of these impacted processes and the nature and scale of change.
- c. Were there any other cost impacts to Energy Suppliers? If there were, please define what they were and provide supporting detail.
- d. Please explain any non-cost impacts, for example impacts to customer experience.
- e. How long previously did it take to deploy the uplift to a newer version of DUIS following approval of necessary modification to the SEC? Would a future uplift be analogous? If it would, please explain why.
- f. Do you have any other comments? If you do, please provide them here.