

SMARTER MARKETS PROGRAMME

Update for the Smarter Markets Coordination Group (SMCG), February 2014 2013

Realising our vision for smarter energy markets

We have reflected comments from SMCG and other important stakeholders to finalise our vision for smarter energy markets. Work is underway to develop a road map to sit alongside the vision, which will show the role of different actors in the realisation of this ambition.

Demand-side Response

- In December, we published the [conclusions from our consultation](#), ‘Creating the right environment for demand-side response’, and how we plan to take this work forward.
- We concluded that an entirely new market model for DSR may be needed in future but is not required at this stage. However, we see an urgent need to develop a DSR framework that formalises the interactions between different parties using DSR.
- Working closely with key parties through the Smart Grid Forum [Work Stream 6](#) group, the next step is to assess requirements and current gaps.

Change of supplier

- In December we published a suite of documents including consultations on proposed new licence conditions to tackle erroneous transfers, and to enforce three week switching. We also published a summary of the reform options discussed at COSEG, the domestic and non-domestic consumer research undertaken to inform the project, a high level update, and open letters to the UNC and BSC panels on meter reads at COS for smart meters.
- We received 22 responses to our Information Request on the costs and benefits of moving to within day, one day or five day switching. We will publish a consultation and impact assessment in the Spring.
- We are also engaging with Energy UK who have developed two reform options, to deliver 2 week + 8 day switching in mid 2014, and 2 week + 2 day switching by the end of 2014. Out of this work, we expect to receive a number of code modifications for assessment.

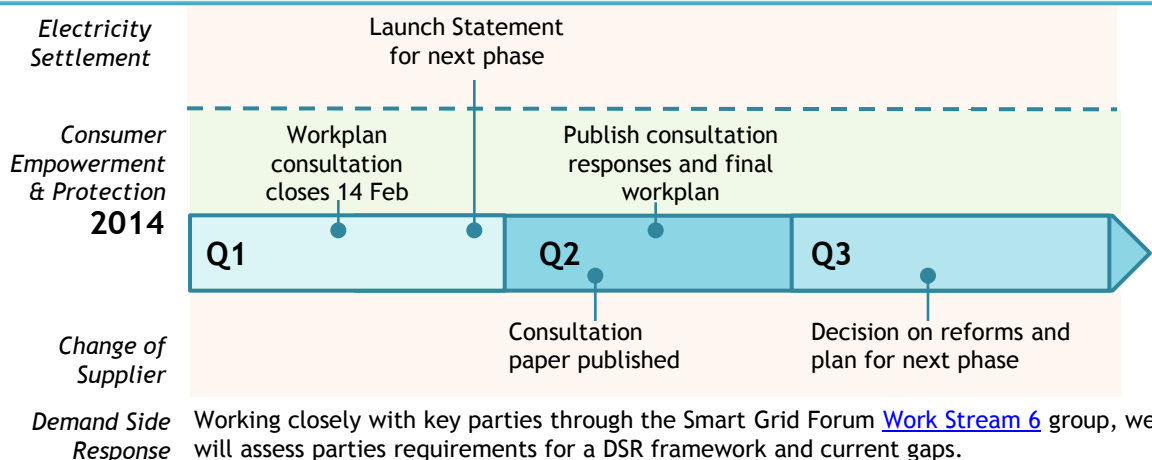
Electricity Settlement

- We are nearing the end of our scoping work to identify the problem that may require changes to the existing electricity settlement arrangements. We believe that half-hourly settlement is in the consumer’s interest and an important part of the transition to smarter energy markets. The next phase of the project will examine this proposition by identifying and assessing options for using actual half-hourly consumption data in settlement.
- We received positive feedback from SMCG in October, and support from external stakeholders at a workshop in November, for this approach.
- We have developed our proposal further since the last SMCG and will be seeking the group’s views on our plans at the February 2014 meeting.

Consumer Empowerment & Protection

- Through extensive stakeholder engagement we have identified and prioritised the risks and opportunities that smarter markets present for consumers and how existing regulatory arrangements may need to adapt.
- We published a consultation on our proposed work programme which set out nine focus areas for our work, grouped under three phases. Under the first phase, from 2014-15, we propose to focus on prepayment, billing accuracy and options, and how the RMR principles will apply to TOU tariffs.
- The consultation closes on 14 February and following our consideration of responses we will publish a response summary, updated work programme, and detailed workplan for the early work to be commenced in 2014.

Public milestones for each project over the next 12 months



Newsletter: We will publish our third [Smarter Markets newsletter](#) this month. This will include the publication of our vision for smarter markets and updates across the four projects.

SMCG Membership: SMCG welcomes Jill Ashby representing the Smart Energy Code administrators, Gemserv.