

SMARTER MARKETS PROGRAMME

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

Realising our vision for smarter energy markets

We are continuing to develop a road map to sit alongside our smarter markets vision, which will show the role of different actors in the realisation of this ambition.

Change of supplier

- Short-term: We published our decisions on proposed new licence conditions to tackle erroneous transfers, and to enforce three week switching.
- Medium-term: We have continued to work closely with Energy UK to support work to deliver 2 week + 3 day switching by the end of 2014. We have approved a number of code modifications to deliver this.
- Long-term: Using the responses to our Request For Information (RFI) we will shortly publish a consultation and supporting impact assessment on options to achieve radically faster switching times including the potential for next day switching. We will provide an update on this work in the SMCG meeting.

Consumer Empowerment & Protection

- Our consultation on our proposed work programme which set out nine focus areas for our work, grouped under three phases closed on 14 February.
- Responses were very supportive of the proposed focus areas. Some additional areas - interoperability, cost savings and efficiencies were flagged. There was also broad support for the proposed prioritisation of areas.
- Following our consideration of responses we will publish a response summary, updated work programme, and detailed workplan in the summer.
- We published a report by CSE which considers the potential impacts on domestic electricity customers of the introduction of new time-of-use tariffs. This research represents a first step. We envisage undertaking further distributional analysis as we make progress towards specific policy decisions under the Programme.

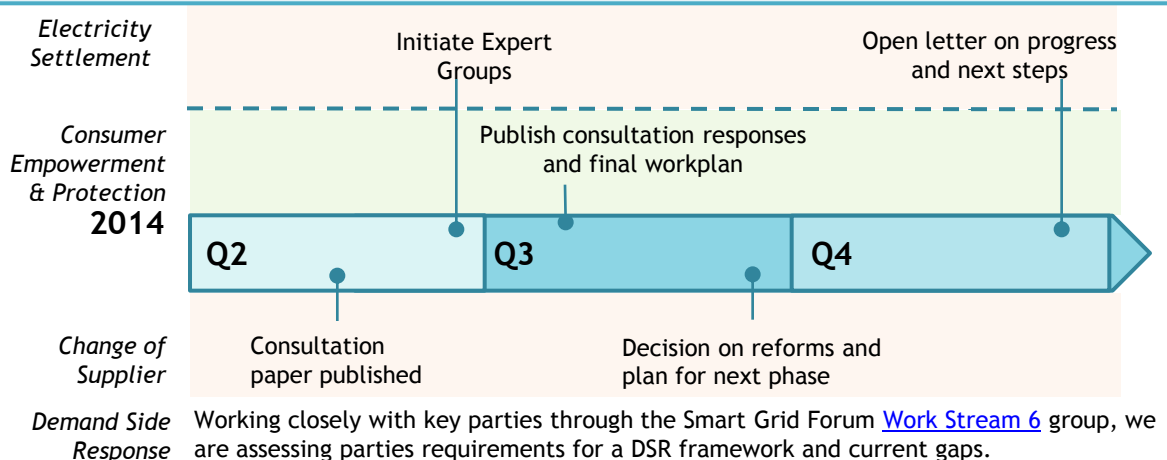
Electricity Settlement

- We wrote to the BSC Panel in February directing it to consult on a revised proposed implementation date for P272 to reflect the interaction with associated distribution charging modifications. We also published a letter setting out the importance of industry working together with Ofgem and government to deliver changes to support the realisation of smarter energy markets.
- We completed scoping work to identify the problem that may require changes to the existing electricity settlement arrangements. We published a Launch Statement in March setting our proposed approach to identifying and assessing options for using actual half-hourly consumption data in settlement.
- We published an open letter setting out details for our electricity settlement experts groups and inviting applications from interested stakeholders who wish to be considered for membership

Demand-side Response

- We have initiated a joint project with distribution policy colleagues which aims to deliver a framework for DSR that accommodates cross-party effects to improve practices and decision-making across the value chain.
- We are working closely with key parties through the Smart Grid Forum Workstream 6 group.
- The timeline for this work includes the following key steps: detailed assessment of parties' requirements of a DSR Framework, gap analysis on current arrangements, initial assessment of options to deliver framework , initial proposals.
- We aim to complete this work by early 2015.

Public milestones for each project over the next 12 months



Newsletter: We will publish our next [Smarter Markets newsletter](#) in August. This will include our road map for delivering our vision for smarter markets and updates across the four projects.

SMCG Membership: SMCG welcomes Sara Bell representing the UK Demand Response Association.