

Smarter markets programme

Update for the Smarter Markets Coordination Group (SMCG), 29 September 2014

Programme areas

<p>Change of supplier</p> <ul style="list-style-type: none">• New licence requirements on three week switching and reducing erroneous transfers are live from 1 September.• We received 38 responses to our consultation, published in June, on reliable next-day switching. There is significant support for reform although there are challenges on how far it should go and how best to deliver.• We are developing our approach to project governance and a draft Target Operating Model which will describe at a high level how our policy proposals will work.• We will provide more details on this work in the SMCG meeting.	<p>Electricity settlement</p> <p>The project is progressing according to the plans set out in our April launch statement. Currently there are two main areas of work underway:</p> <ul style="list-style-type: none">• Development of options for using half-hourly data in settlement. We have commissioned an expert group of industry representatives to develop these options, together with initial cost analysis. The group's discussions continue to be productive. The fifth meeting of the group is on 1 October.• Development of plans for the detailed analysis of shortlisted options.
<p>Consumer empowerment and protection</p> <ul style="list-style-type: none">• We published a summary of consultation responses, updated work programme and detailed work plan for the next stage of the work on 19 September.• We will provide more details on this work in the SMCG meeting.	<p>Demand-side response (DSR)</p> <p>We are working with distribution networks policy colleagues to put together a work programme that will deliver a framework for DSR. We are also working closely with key parties through the Smart Grid Forum Workstream 6 group and related subgroups. Since the last SMCG meeting we have focused on:</p> <ul style="list-style-type: none">• The value of DSR across the supply chain• Understanding the impact of relevant policies eg the Electricity Market Reform capacity mechanism, Retail Market Review measures.

Forthcoming milestones

October

- Settlement: decision on modification P272 alongside changes to distribution charges

December

- Change of supplier: decision document and draft target operating model to be published
- Settlement: summary of expert group discussions and approach to analysing shortlisted options to be published

Early 2015

- Demand-side response: update on work programme to be published