

# TMA's Response to Ofgem open letter on Half-Hourly Settlement

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By email to [half-hourlysettlement@ofgem.gov.uk](mailto:half-hourlysettlement@ofgem.gov.uk)

Dear Áine Higgins Ní Chinnéide,

TMA started as a Consultancy and Boutique developer in 1987. Following the Electricity competitive Market opening in 1998 we provided IS and IT solutions for larger Suppliers. We qualified as a Party Agent in 2005. We now provide Half Hourly and Non Half Hourly Data Collection, Data Aggregation, AMR, Data Retrieval and Internet services to over 20 Suppliers and other market participants. We are also in the process of providing DCC Services for Smart in order to ensure that the DCC services are accessible to all Suppliers and other interested parties through shared services.

We welcome the opportunity to respond to Ofgem's open letter regarding Half-Hourly Settlement as the way forward.

We fully support a mandatory Half-Hourly Settlement and understand that the best approach is to initially remove any obstacle to enable voluntary move from NHH to HH settlement before moving to a mandatory Half-hourly Settlement process.

Smart metering is providing opportunities for the Electricity Industry to redefine expectations in performance levels, length of settlement timetable as well as unlocking possibilities for innovative Suppliers to provide demand side response tariffs and improve their demand forecasting abilities. TMA has always supported changes going towards a more widespread Half-Hourly Settlement as it is more efficient, more accurate and is the natural extension of the smart metering programme.

We support a model where the current Supplier Agent model is maintained. The competition between Supplier agents has delivered significant improvements in performance levels and decrease in cost. A centralised or partially centralised model would be a step back and hinder the full delivery of Half-Hourly Settlement benefits.

The main areas where work is required to enable the settlement of domestic customer as half-hourly from our stand point are data estimation and data validation.

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POWER THROUGH DATA

The estimation rules currently used for HH sites would need to be adapted to domestic sites. Profiling is expensive and inaccurate, we support an estimation model where the reliance on profiling is totally removed. Half-Hourly sites vary in nature, size and consumption pattern vastly; the consumption patterns for domestic and small industrial and commercial sites are more stable in nature making the frozen profile coefficient and regression equation a viable option.

The data validation parameters for Half-Hourly settled sites are stringent and require a certain level of information to be received by the Data Collector in order to be able to carry out the validation, which is fully supported by Data collectors also fulfilling the role of data retriever. The validation applicable to Half-Hourly sites is not necessary for domestic but some of its principles could be adapted to domestic and small commercial and industrial sites. Clear boundaries between what validation is expected to be carried out by the DCC and/or by Data Collector need to be in place. If Data Collectors are required to carry out some/all of the validation, the information necessary to carry out the validation must be made available at the same time at the data.

TMA has been an advocate of a shortening of the Settlement Timetable and fully support Ofgem in that direction.

Kind regards

Eric Graham

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