

Draft Request for Information (RFI) on supplier agent functions

Ofgem responses to stakeholder questions

Version three

Question 1: "Could you please confirm whether the scope of agent centralisation includes NHHDR?" *(General. Received by e-mail on 3 August)*

Response: We are investigating whether or not to centralise functions currently performed by supplier agents. This could therefore include considering whether or not to centralise data retrieval (DR) arrangements for any remaining non half-hourly (NHH) customers (eg those who do not have smart meters). However, we recognise that the considerations involved may be different than for half-hourly (HH) data collection, given that NHH DR would be likely to require staff to carry out pedestrian meter reads.

Question 2: "The HH mandate is clearest if split between CT and whole current metering – whole current metering will typically be smart metering in the future, whereas SMETs metering is never really going to impact CT metered sites. Similar logic applies to small/large gas sites". *(General. Received by e-mail, 3 August)*

Response: The focus for our Significant Code Review (SCR) is mandatory half-hourly settlement for domestic and smaller non-domestic customers. We are aware that a relatively small number of these customers have Current Transformer (CT) meters – however, at this stage, we have not made a decision about what process should be used to settle them. As part of our eventual decision on whether or not to centralise functions performed by supplier agents, we would need to consider the implications for supplier agent functions in relation to medium and large non-domestic consumers.

Question 3: "Where do you see BSC Mod P322 'supply hub principle' (i.e. making agents accountable to BSC obligations) fit into centralising agents?" *(General. Received by e-mail, 3 August)*

Response: We recently received a letter from the Balancing and Settlement Code (BSC) Panel requesting our views on BSC Modification P332.¹ We will be responding separately to this letter.

Question 4: "Will Ofgem be redlining any changes to the draft questions when the final RFI is released? It would be helpful to have this visibility as some parties may wish to begin collating information sooner". *(General. Received by e-mail, 3 August)*

Response: Yes – we are happy to provide a redlined copy showing changes to the draft questions if that would be helpful for stakeholders.

Question 5: "We note that the guidance requests respondents to detail any differences in HHDA/HHDC activities between the existing HH market (over 100kW) or 'elective HH' market. Ofgem will be aware that Elective HHS, as governed under the relevant BSC Procedures, refers to 'Supplier-serviced Metering Systems' which can refer to either SMETS1 meters operated via the supplier contracting with an SMSO, or a SMETS2 meter (in DCC). Therefore we suggest there are three different scenarios in the near future, irrespective of Mandatory Half Hourly Settlement: existing HH market, elective HH market (SMETS1) and elective HH market (SMETS2). We are of the view that the different scenarios will generate very different responses from DA/DCs – it may therefore

¹ BSC Modification P332: Revisions to the Supplier Hub Principle
<https://www.elexon.co.uk/mod-proposal/p332/>

be advisable to refine the question with the further breakdown suggested". (*Guidance section of the draft RFI. Received by e-mail, 3 August*)

Response: For the purpose of simplifying responses to this initial RFI on supplier agent functions, you can assume that SMETS1 meters would be enrolled with the Data and Communications Company (DCC) by the point that mandatory half-hourly settlement was introduced. However, if you think that there are particular considerations we should be aware of in relation to SMETS1 meters serviced by a Smart Metering System Operator (SMSO), please feel free to include this in your response.

Question 6: "Can you provide a better definition of "exceptions"? In particular, would this measure exceptions prevailing @ SF compared with those @ RF? Many exceptions are very temporary and resolved quickly, generally before SF and certainly before RF". (*Relating to questions 1-6 in the draft RFI. Received by e-mail, 3 August*)

Response: We appreciate that the impact of exceptions² will differ depending on whether they are resolved before the final reconciliation run (RF), or whether they are crystallised in settlement. However, at this stage, we would like to gather a broad range of information about exceptions, without restricting it to particular parts of the settlement timetable. We will clarify that we welcome information about the extent to which particular exceptions are resolved quickly or at all.

Question 7: "Are you asking what volume of exceptions are related to a change of agent or a change of supplier event?" (*Relating to questions 2 and 6 in the draft RFI. Received by e-mail, 3 August*)

Response: Questions 2 and 6 in the draft RFI are about hand-offs.³ At this stage, we are interested in all cases where data is exchanged from one party to another, rather than solely those cases linked to a change of agent or change of supplier event. Depending on responses, we may then seek to focus on particular types of hand-offs for our future analysis.

Question 8: "Is this to scope out service levels for DCC (or other parties) as all agent aspirations would be to above 97/99% respectively". (*Relating to question 11 in the draft RFI. Received by e-mail, 3 August*)

Response: We recognise that all supplier agents would aim at a minimum to meet the performance requirements set out in the BSC. However, at this stage, we are interested in gathering evidence about whether or not supplier agents target another performance level in practice (eg in response to demand from suppliers). The intent of this question is not to scope out service levels for the DCC (or other parties).

Question 9: "draft rfi solicits feedback on existing value adds from agents. Presume it would also be useful for agents to outline specific planned value-adds attached to supporting supplier (and customer) objectives to achieve overall objectives of hh". (*Relating to question 13 in the draft RFI. Received by Skype, 3 August*)

Response: Yes, we agree that it would be helpful for supplier agents to send us information about any future value-added services they might envisage providing, as well as those they provide currently. We will update the question accordingly.

Question 10: "DC's will exchange information with DA's Suppliers, MOP's and other DC's (on a change of supply or change of agent). DA's will receive information from DC's

² In the footnotes to the draft RFI, we state: "Exceptions are anomalies in the data used in settlement which could affect the accuracy of settlement".

³ In the footnotes to the draft RFI, we state: "Hand-offs occur when data is exchanged from one party to another".

/ MPAS and send information to the SVAA. Are you asking which of these interactions can create exceptions and also which of these more commonly create exceptions? Should any of the above interactions be removed?" *(Relating to question 2 in the draft RFI. Received by e-mail, 9 August).*

Response: Question 2 in the draft RFI asks about the importance of hand-offs as a source of exceptions. When responding, you could consider how common it is for hand-offs to create exceptions, as well as the materiality of the exceptions which are created. As noted in response to question 7 above, we are interested in any exchanges of data between parties at this stage.

Question 11: "Are you asking whether we expect to see increase / decrease:

- In the level of exceptions from the interactions listed above and;
- In the level of any exceptions not related to the interactions above?" *(Relating to question 6 in the draft RFI. Received by e-mail, 9 August)*

Response: Question 6 in the draft RFI asks about changes in the importance of hand-offs as a source of exceptions. This is a general question – we would therefore be interested in any changes to the number, proportion or materiality of exceptions caused by hand-offs.

Question 12: "Please could you clarify your approach to engaging business consumers and TPIs in the proposed Supplier Agent RFI for Mandatory Half Hourly Settlement (MHHS)?" *(General. Sent by e-mail, 14 August)*

Response: Although our initial RFI is primarily targeted at supplier agents, we also welcome views from electricity suppliers and other interested parties. This includes business consumers and TPIs. We have published this RFI on our website so that it is accessible to a wide audience.

As explained during the teleconference on 3 August, this is an initial RFI, which covers a number of specific areas. There will be an opportunity to provide additional information and views before we reach a conclusion.