

Feedback Form

Once completed, please send this form to HalfHourlySettlement@ofgem.gov.uk by 1 September 2017.

Organisation: EDF Energy

Contact: Andrew Jones

Is your feedback confidential?

NO

Q1.

Do you agree with our proposal to opt for *SCR Option 3: Ofgem leads an end-to-end SCR process, as outlined on pages 5-6 of the Launch Statement?*

We support your view that Option 3: Ofgem leads an end-to-end SCR process is the preferred way forward. It balances Ofgem's ability to lead the industry to meet the timetable proposed, while giving industry the opportunity to input in to the process with our expertise. This should ensure a timely delivery of a solution that is right for the customer.

Q2.

Do you agree with our proposed governance model for the Target Operating Model, outlined on pages 6-8 of the Launch Statement and detailed in Appendix 2A? This includes the Terms of Reference for the DWG and DAB in Appendices 2C and 2D.

We agree in principle with the proposed governance model for the Target Operating Model. We do have some concerns about the role that Elexon are playing and their ability to drive innovative approaches. We are concerned their involvement may lead to an incremental approach to developing the model based on current half hourly processes. This was evident in the progression of the changes for the elective half hourly programme. While elective needed to view the project from a minimum change view point, mandated half hourly needs to look at all options to deliver a simple, cost effective solution that is right for the customer and industry.

We are concerned that the RFI requesting information on supplier agent functions is already leaning towards an approach based on the status quo and how that might change to deliver mandated half hourly settlement. By focusing the RFI on existing agents Ofgem are likely to get replies about how the existing structure could evolve in to a future one, rather than new approaches such as the advantages of integrating the agent's role in to supplier functions, or the creation of a single national agent.

Q3.

Do you agree with the Target Operating Model Design Principles, set out in Appendix 2B?

Overall the principles set out in appendix 2B are the correct ones.

We agree with the outcome set out in appendix 2B 1.2 that the project should '*incentivise all retailers and suppliers (current and future) to encourage customer behaviour in their future electricity demand that contributes to a more cost-effective electricity system*'. This will require a change in mind-set we want for the industry and the settlement arrangements as noted in Q2. The BSC document today does not place any focus or importance on the customer experience or their behaviour.

In regards to section 2.3 on Data retrieval and processing we disagree with the statement that '*the TOM design work will consider: which enduring roles and responsibilities for data retrieval and processing promote a relatively simple model whilst avoiding the potential to stifle innovation and competition in delivering these benefits; and; how best to build upon the changes to data validation and processing introduced under elective HHS.*' We do not believe these principles will lead to the best answer as it does not promote wider thinking on the optimal solution which is needed to deliver the design principles in section 1.6.

The proposal in section 2.7 that '*At a minimum, improvements to the process for settlement of export should provide solutions for elective take-up*' is not a workable solution. All export energy should be settled accurately. Spending time on an elective solution, including costs to upgrade systems and processes to meet the requirements to collect the data via the DCC which might not be used, will be wasting the time of industry experts and Ofgem which would be better spent on delivering the rest of the TOM.