

Feedback Form

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

Organisation: Npower Group PLC

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Is your feedback confidential?

YES

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 agree the option 3 proposal, on the basis it:

- Maximises the amount of stakeholder engagement, which is likely to lead to the most effective solution if wider half-hourly (HH) settlement is required of the industry.
- Allows all changes related to the Target Operating Model (TOM) to be discussed in a single work-stream, which is efficient and will make best use of individuals time.
- Appears to promote transparency of industry discussion.
- Is the most suitable for the level of complexity involved.

Related points for Ofgem to consider:

- The SCR process diagram is designed to work with the BSC (likely where most change will impact). Ofgem will also need to consider how changes to other codes be managed within this process (e.g. MRA / DCUSA).
- At the early stages of developing the TOM, it may be difficult for Ofgem to consider if new change proposals to the BSC (or other codes) will fall into remit of the HHS work. Therefore we would suggest ongoing monitoring of all live changes and modifications that may fall into scope of the SCR as the TOM develops and avoid hindering other industry developments unnecessarily e.g. BSC modification P332.
- We support that unmetered supplies are included in the scope of this SCR (as should any PC 1-4 metered sites that are not able to settle in a HH capacity. This will reduce the likelihood of workaround costs for MPANs that do not fit into the final TOM.
- Ofgem may wish to consider independent project management at a later stage of the TOM if needed. We believe Elexon involvement will add greatly to development of the TOM, however we would be concerned if this involvement meant that they were later unable to apply to carry out any new functions for HH settlement (e.g. centralised DC/DA agent) because of this involvement.

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 Elexon should lead the Target Operating Model (TOM) for the reasons stated within the SCR statement, providing this would not impair Elexon's opportunity to apply for positions related to HH settlement at a later stage. We also agree that Ofgem should be represented on the Design Working Group (DWG) through the TOM team to better understand the reasoning behind DWG recommendations.

Related points for Ofgem to consider:

- When Ofgem make decisions based on recommendations from the DWG, reasoning for the final decision should be recorded as part of the governance model.
- When making decisions, we believe the relevant code objectives should be considered alongside the overall project and business case objectives to ensure all impacts have been considered.
- We support the option to escalate TOM design recommendations where the DWG members are not able to reach agreement. It is important that all arguments are captured, something Elexon already have experience of from BSC modification groups.
- Either the DWG or Design Advisory Board (DAB) Terms of Reference should include a quality assurance role (not both groups).
- We strongly support that Ofgem should maintain regular contact with external stakeholders throughout the duration of the TOM design work.
- Ofgem may wish to consider whether the DWG should assess skeleton TOMs against relevant code objectives as an addition to the DWG TOR (related to the 2nd bullet point).
- Members of the DAB should not also be members of the DWG to allow independent assessment

Q3.

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

We support the three high level project objectives as drafted within Appendix 2B.

Related points for Ofgem to consider:

- Regarding the design principle: 'be mindful of potential customer impacts and experience including interactions with their supplier and other relevant parties;' this should extend to communicating impacts to customers following the Ofgem decision on HH settlements. We believe customer communication should be carried out centrally by an independent body in the similar way to Smart Energy GB. This central approach will support many of the other design principles.
- It is important that Ofgem make decisions as early as possible on the topics of access to customer HH data and centralisation of agent services to allow the TOM(s) to develop efficiently. Any TOM will have significant dependencies on these decisions.
- 'Customer impacts and experience' are rightly included within the strategic objectives. We believe this should go further to and that the TOM should consider whether suitable billing arrangements for suppliers can exist. Some customers may 'opt-out' of HH billing but not HH settlements, if this is the case it would be prudent to consider options that avoid industry parties developing expensive solutions to segregate billing and settlement data / permissions.