



Making a positive difference
for energy consumers

Feedback Form

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

Organisation: ScottishPower Energy Retail

Contact: Mark Bellman, Head of Energy Settlement, Ops UK

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?*

Yes we agree with Ofgem's proposed approach to the SCR . Mandatory half-hourly settlement (MHHS) has the potential to deliver benefits to consumers as outlined in Ofgem's Launch Statement, and is a significant change. The SCR Option 3 will better allow coordination and timely delivery of an integrated set of solutions.

We note that this is the first time that the SCR Option 3 has been used, and we believe that it would helpful if it is implemented in a way that allows flexibility to adapt to circumstances should the need arise.

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.

Yes we agree with the broad governance model proposed.

It would be useful to consider any lessons learned from the governance arrangements for the Faster & More Reliable Switching and Nexus industry programmes.

Elexon's Forward Plan indicates the first interaction of DWG with DAB is at the end of Stage 1 which is Mar-18. We believe it will be important to ensure an effective review and feedback process by DAB during DWG development work, and we would encourage Elexon to allow for this explicitly in their DWG Stage 1 work-plan.

We believe the decision criteria and/or objectives for policy decisions on supplier agent and data access policy inputs should be consulted on early in the governance process.

Q3.

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

Yes, we are in broad agreement with the TOM Design Principles in Appendix 2B.

On data retrieval and processing (paragraph 2.3), it would be helpful to add that the policy decision on whether or not, and how, to centralise supplier agents will be supported by quantified cost-benefit analysis taking into account any other non-quantifiable criteria (such as meeting other policy objectives or minimising future process risk). We believe the opportunity should be taken to simplify the present over-extended processes which have significant in-built inefficiency. This should be done in a way that balances opportunities for innovation with those for efficiency, and could include rationalisation of some or all of agent entity, data, systems or processes.

There is no explicit reference to SMETS1 transition in the Design Principles (although it is noted that Appendix 1 refers to respondents' views on this and that DCC enrolment is under development). We believe that the SMETS1 transition is a key dependency and should be completed prior to commencement of MHHS.

Both governance and design principles need to include provision to evaluate the most appropriate timing for migration to MHHS. This could for example be linked to the proportion of the market with smart meters registered on DCC.