

## Design Advisory Board Meeting 6

From: Jasmine Killen

Date: 27/11/2018

Time: 10:00-15:30

Location: Ofgem, 10 South Colonnade, Canary Wharf

### 1. Welcome and Meeting Overview (Slides 1-7)

Anna Stacey

1.1. The Chair, Anna Stacey (AS - Chair), opened the Design Advisory Board (DAB) meeting and set out the day's objectives:

- to update the DAB on the TOM design work and to review the DWGs preferred TOM option with a view to getting a steer from the DAB on the preferred TOM
- to update the DAB on future network charging options and the interaction with the TOM
- to present to the DAB on the architecture options, and
- to get the DABs views on the starting point for transition.

1.2. AS went over the open actions from the last DAB. A board member wanted to understand more about what was being done on consumer protection. The member requested a roundtable discussion with interested parties to discuss consumer issues arising from settlement. AS emphasised that the call for evidence is the start of the conversation and the board would be included in this discussion. (**Action Item 1**)

1.3. AS provided a project update.

### 2. Network charging presentation and TOM interaction (Slides 8-17) Amy Freund

2.1. Amy Freund (AF) provided an overview on the network access and forward looking charges reform, with an aim to get views from the DAB on the implications this might have for settlement reform and how the TOM could support this.

2.2. AF went over how settlement and charging may interact, especially when it comes to HH data effecting charging signals. AF noted no decision had been made yet. A board member highlighted that granular locational charges makes sense for generators, but not for individual consumers. If it became too complicated then the costs would be smeared across everyone so it would dilute the incentives.

2.3. AF asked how the impact of charging can be accommodated in the TOM in order to make sure the right data is available. A board member stated that there wouldn't be significant cross over, but that it does required some thought as we don't want to create unintended consequences. Another board member stated that consumer impacts are going to be important to HHS and network charging and that it may be helpful for some regional pilot schemes to be explored.

2.4. Kevin Spencer (KS) talked through the interaction of the TOM with charging. There was a discussion on how data would be collected and used in charging. It was a general

consensus that the TOM was flexible enough to accommodate this, but that further thought is required on how data will be processed and aggregated/disaggregated in order to get the required granularity for charging. It was noted this was more of an architecture question.

### **3. Review of the DWG evaluation of the TOM option/outlining the preferred TOM (Slides 18-26)** **Kevin Spencer**

- 3.1. AS updated on the progress made in the two DWG meetings since the last DAB meeting. Since the last DAB, Ofgem has provided a least regrets steer on two issues for which Ofgem have not published their decision on following consultation. It is important to note that the steer does not give our final decisions, but allows the design work to go forward in the absence of the decision. These least regrets steers were on data access and agent functions. The steer for the data access was to proceed without enhanced privacy options. For agent functions this was to proceed with TOM design assuming competitive data collection and to consider that it may be desirable for settlement data in the future to be submitted to central systems without aggregation. Once Ofgem has made the final decisions this will then be properly worked into the TOM; and the project plan will be adjusted as needed if re-design of any aspects of the TOM is required.
- 3.2. Following the least regrets steer KS, from Elexon, updated the DAB on the journey to the preferred TOM. The steer helped rule out a number of variants of the 5 skeleton TOMs (15 out of 21). The last 6 TOM variants were then separated by two key decisions and following the steer at the last DAB meeting, where it is believed the traditional aggregator role is no longer required, this variant of TOM A is the preferred TOM of the DWG.
- 3.3. The main points of the preferred TOM are that the load shaping service (LSS) is in the central settlements service as there would be disaggregated data to complete this. Smart and advanced meter retrieval and processing are split, as some players in the market may want to do one but not the other. Where a meter is registered for settlement, this is collected by the meter data retrieval service on a daily basis (as part of the least regrets steer) and sent to the processing service (smart) (PSS). Here it will be processed, validated and sent to BSC in disaggregated form. The load shaping service will profile 56 load shapes dependant on location, domestic and non-domestic status. The load shapes will then be passed back to PSS and those without HH data will come under one of the 56 load shaping profiles.
- 3.4. A board member asked if someone opted out whether the half-hourly data would still be collected. AS answered no, but the supplier could still collect it if requested. In addition, smart meters hold up to 13 months of data, so this could be retrieved at any time if the consumer requested it to be done.
- 3.5. A board member commented that it needs to be made clear where the aggregation is taking place. KS answered that the market wide data service would perform the adding up of figures for settlement. (note that other functions currently carried out by data aggregators would still need to be allocated.)
- 3.6. A board member asked to discuss this work in relation to the system operator. Ofgem to take this question away. **Action 2** – Ofgem to set up a meeting with between Catherine M and relevant Ofgem team and ELEXON.

- 3.7. A board member asked how 'opted out' customers would be kept track of. Kathryn Coffin (KC) stated ELEXON assumes this would need to be checked every day using a systems flag, but Elexon to keep in contact with Ofgem switching team.
- 3.8. KS continued to update on the preferred TOM and noted that one DWG member preferred a different variant of TOM A, where the aggregation remains a separate service outside of central settlement. Full views will be captured in January's report, which will be presented to Ofgem with final details of the preferred TOM by the end of January 2019.

#### 4. Presentation on architecture options (Slides 27-29)

**Matt Bassoo**

- 4.1. Matt Bassoo (MB), from Elexon, gave a presentation to the DAB on potential different conceptual architecture options for the TOM. Slide 29 shows set up of the architecture, this shows us one possibility for the 'art of the possible' rather than being a specific proposal.
- 4.2. A board member asked if outside parties could access the data. MB confirmed this was possible. There would need to be governance and standards to be wrapped around the model. Third parties would be able to run services on the infrastructure. A board member emphasised the need not to rush into any complicated and over-prescriptive architecture, but to leave room to do different things we may not know about today
- 4.3. Another board member likened it to project Nexus and was concerned about the costs of this model and how it would be paid for, considering Elexon's not-for-profit status. They thought the proposal seemed like a big undertaking (**Action point 3**). A board member noted it was hard to agree a TOM if the costing of the architecture is not taken into account. Elexon said that this was not the final architecture, but an example of what it could be like, as an introductory message. AS agreed that the cost of implementation would need to be considered in the business case. Further work is to be carried out on the architecture model and this will be brought to future DAB meetings.

#### 5. Starting point for transition (Slides 30-35)

**Kevin Spencer and Anna Stacey**

- 5.1. AS provided an overview that as part of the business case, an approach for transition to HHS will be developed. It will consider the costs and benefits of the different implementation timeframes and will look at previous transitions and cases in order for learning to be taken from them. It was explained to the DAB that transition was already being discussed at DWG and it was agreed that a 'big bang' approach would not be the best option. We are therefore looking to the DAB for their views on transition so this can be fed back to the DWG.
- 5.2. KS asked if the phrasing should be migration, rather than transition, as it would then take into account the implementation of the design structure and phasing it in.
- 5.3. The board discussed the progress in commissioning smart meters, which could hamper the migration/implementation. It was agreed it was important for the technology to be in the right place and to work with DCC otherwise the required information might not be accessible.

- 5.4. AS asked if there was a critical mass of HH data required / a profile load of data (e.g. 1 year) before transition can begin. The board agreed there were a number of pre-requisites required before transition could begin.
- 5.5. One board member noted there were a large number of large change projects already going on and that these should be taken into account for implementation. For instance would it be better to take a bit longer in implementation if it means that a number of large projects can be implemented together.
- 5.6. It was agreed that changing the system once it has been implemented is costly, and therefore the change should only be implemented once the design has been finalised. There was a discussion around whether specific profiles could be migrated across first or if the elective HH data could be moved over before anything else to act as a test bed. However, this may mean that two systems will be running in parallel and it was considered that this could be a more expensive method.
- 5.7. It was suggested the DWG set out a number of different scenarios in how migration/transition could occur and for the pros and cons to be listed against these. This is captured as a DWG deliverable.

## **DAB Actions**

1. For future DAB meetings:
  - Ofgem to organise a discussion with the DAB and BEIS on the future of consumer issues in relation to settlement.
2. Ofgem to set up meeting with Catherine Mitchell, ELEXON and relevant teams in ofgem to discuss the system operator role
3. Elexon to investigate how the architecture of the TOM will be funded and what the payment mechanism for this is.

## **DAB Steers**

### Steer on the preferred TOM

- The steer from the DAB was that the preferred TOM chosen by the DWG was suitable, provided that the concerns around the architecture were met. Their steer is also that further work is needed on the architecture, including a cost/benefit analysis.

## **Attendees**

Amy Freund (Ofgem)  
Anna Stacey (Ofgem)  
Catherine Mitchell (Exeter University)  
Chris Allanson (Northern Power Grid)  
David Crossman (Cornwall Energy)  
Graham Oakes (Upside Energy)  
Jasmine Killen (Ofgem)  
John Christopher (BEIS)  
Judith Ward (Sustainability First)

# Minutes



Making a positive difference  
for energy consumers

Justin Andrews (ELEXON)

Kathryn Coffin (ELEXON)

Kevin Spencer (ELEXON)

Mitch Donnelly (British Gas)

Rob Salter-Church (Ofgem)

Sabiha Padhani (Ofgem)

Sophie Yule (Tempus Energy) Standing in for Sara Bell