

Anna Stacey
Head of Settlement Reform
Ofgem
9 Millbank
London
SW1P 3GE

12 November 2018

By email: half-hourlysettlement@ofgem.gov.uk

Dear Anna,

RE: Supplier agent functions – proposed approach

Centrica agrees with Ofgem that centralisation of supplier agent functions is not necessary to improve data quality in electricity settlement.

We agree with Ofgem that there is no overall benefit in centralising data collector and meter operator functions.

We note that Ofgem will be considering whether there is a need for aggregated data within a market wide settlement process, as part of the wider settlement reform programme. Centrica agrees that the question of whether there is a need for aggregated data in settlement should be addressed by Ofgem. As we believe there may be a case of centralising data aggregation.

We are comfortable for all future data aggregation discussions to be taken forward within the settlement reform Design Working Group (DWG).

Centrica is keen to continue to contribute to discussions around the future of aggregated data, as we believe there may be a case against the need for aggregated data in a future settlement regime.

Our responses to the specific questions asked by Ofgem are appended to this letter.

If you have questions, please contact me on Tabish.khan@centrica.com.

Yours sincerely,

Tabish Khan
Retail Market Policy
Regulatory Affairs
Centrica

Appendix: Answer to the consultation questions**Question 1: Do you have any comments on our updated analysis and thinking?**

We agree with Ofgem's analysis that there are pros and cons to the centralisation of supplier agent functions. And there isn't a clear business case to centralise meter operators and data collectors.

Question 2: Do you agree with our proposed position? If not, please explain why.

We agree with Ofgem's proposed position that market wide settlement reform should not centralise data collection or meter operation.

However, Ofgem should look to reconsider the decision on supplier agent functions, as well as other policy decisions, once the final TOM design has been agreed. In order to ensure that those policy decisions remain the most effective.

We further agree that any decision on centralisation within the market wide settlement programme should not prejudice any changes that may come out of Ofgem's work on the future of supplier hub.

Question 3: Do you consider that settlement data will still need to be aggregated for submission into central settlement systems in future? In light of this, do you consider that a data aggregation role is required?

Centrica agrees with Ofgem that there may well be a case for future models where data is not aggregated for submission into central settlement systems.

Ofgem should consider the impacts and benefits of removing the agent data aggregation role in greater detail.

In line with Ofgem's proposal, we believe the DWG is best placed to develop the thinking on whether there is a need for aggregated data in settlement.

Question 4: Do you agree with our consideration of our proposed position against our assessment principles?

We agree that Ofgem's proposed position is aligned with the assessment principles in place for market wide settlement reform.