



Making a positive difference
for energy consumers

Feedback Form

Once completed, please send this form to
HalfHourlySettlement@ofgem.gov.uk by 17 October 2018.

Organisation:

Contact:

Is your feedback confidential?

YES

☐

NO

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Q1.

What are your views on the potential costs and benefits of half-hourly settlement of export? What are the risks and opportunities?

1. Do you agree with the scope of the costs and benefits of half-hourly export settlement that we have outlined? Are there any costs or benefits that we might have overlooked?
2. What are the impacts for your organisation of implementing market-wide half-hourly export settlement?
3. What are the impacts for consumers of implementing market-wide half-hourly export settlement?

4. What are the impacts for small scale generators of implementing market-wide half-hourly export settlement?

1.

In general, we agree with the analysis of the types of costs and benefits outlined by Ofgem. We agree that Half-Hourly Export Settlement is essential to effective and accurate balancing and settlement and that the current deeming arrangements for small-scale generation should be removed when market-wide half-hourly is introduced. Additional costs have been considered associated with moving from a deemed process to a market wide HH settled model.

The opportunities for innovation and support for competition have also been considered

2.

The impact of implementing market-wide Half-Hourly export settlements will vary between members of the AIMDA group, but in general, the additional costs over and above those of implementing market-wide half-hourly settlement for import metering will be relatively minor.

3.

We generally share the same views noted by Ofgem on the impact of consumers. The major impacts for customers will be that there will be some winners and losers of settling energy rather than deeming. Also, as noted, there will be a cost to settle which has not been incurred directly by the consumer to date, but this will be small in comparison to the benefits. However, we believe that settling export energy is fairer for all consumers. The innovation and competition will benefit the consumer. End consumers will ultimately benefit in a reduction of energy costs in real terms. It should also be noted that the benefit to the consumer is often the energy-saving only where the export tariff and FiT tariff is collected by the scheme owner.

Benefits and potential drawbacks should be clearly communicated to consumers impacted by the changes.

4.

Small scale generators are likely to experience the largest variance in revenue due to deemed energy, exporting could therefore become commercially non-viable, thus impacting any proposed installation programs in the future. This could impact the Government's ability to meet its renewable obligations. Innovation and competition within the market will help to ensure maximisation of potential revenue from generation systems.

The FiTs scheme is also a driver in supporting installation of renewable systems, alternatives to this scheme need to be considered as it is due to close to new applications 1st April 2019.

Q2.

Have we identified the right commercial drivers in the commercial case? How can we look to either capitalise on the positive impacts of these drivers or mitigate any negative impacts?

Generally, we agree that the right commercial drivers have been identified by Ofgem in the commercial case.

We feel that it has identified how it can support innovation through emerging products and services while retaining a competitive market.

Access to data to ensure its value can be realised needs to be a careful consideration when developing TOMs.

Where identified as a potential disincentive by Ofgem, we do not agree procurement costs of new systems will disincentivise industry. We recognise that this change is required to support the future of the energy market and the investment is a platform to offer innovative solutions.

We feel that Ofgem should conduct more extensive cost/benefit analysis on all elements of the supply chain. The analysis should consider where the investment in systems is being made, how the benefit is appropriately proportioned between stakeholders, and the associated timescales for benefits to be realised. There should be consideration of value for money and fitness for purpose of existing systems and process, including centralised systems such as the DTN.

The volume of data being settled will be significantly increasing through elective and mandatory HH settlement. There needs to be consideration on deadlines for implementation to ensure suitable safeguards are in place to allow a controlled increase in HH settled supplies.