

Feedback Form

Please send the completed form to HalfHourlySettlement@ofgem.gov.uk by 29 October 2019.

Organisation:	EDF Energy
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Is your feedback confidential?	No
<i>If you would like your feedback to remain confidential please include reasons here.</i>	

We are seeking your feedback on the proposed updated governance arrangements, new and existing principles and the two new industry working groups. In particular, we would be interested in hearing from you on whether these arrangements ensure that the further development of the TOM is carried out in a fair and efficient way and allows all interested parties to have opportunity to engage in the development proposals. Additionally, we want your views on whether the arrangements ensure that the impacts of changing the whole settlement system (including the impacts on end consumers) are identified, and that future changes to the energy system are taken into account. We would like you to respond to our questions (set out below) with these points in mind.

Q1. Do you have any comments on our proposed governance model for the development phase of the Target Operating Model, set out in Appendix 2A of the open letter? Do you believe the structure is fair, efficient and will adequately ensure whole settlement system impacts and future changes are taken into account?

The proposed governance model largely appears appropriate. We are, however, concerned that insufficient focus is being given to the consequential impacts that implementing the TOM will have on consumer facing processes within this governance model. The proposed model is likely to ensure that the settlement system impacts and future changes are taken into account. What is not clear is how consequential changes impacting consumer switching and billing that

will arise from the changes to the settlements systems and processes will be addressed, or by whom.

The current settlement data and processes, specifically for metering Non Half Hourly metering systems, are intrinsically linked to the way that metering information and meter readings are provided to suppliers. The switching and billing processes for these consumers are reliant on data that is currently provided by processes defined within the BSC. It is not clear where the impacts of fundamentally changing those processes will be assessed, or by whom; it is not clearly within the scope of the CCDG, and it is not an area that sits within Elexon’s remit as it is currently within the scope of the MRA (and in the future will move to the REC). This gap needs to be addressed, either within this governance model, or within the wider Settlement Programme.

We note that the recent REC consultation included questions on whether domestic and micro-business consumers who are settled on a Half-Hourly basis should be included within the scope of the Switch Meter Read Problems schedule in the REC. Our response to that consultation noted that while these consumers may be settled on a Half-Hourly basis, in most cases they will still be billed to register readings, usually configured to a Time of Use tariff. It is not clear under the TOM how a Switch Meter Read will be generated, let alone agreed, for these consumers.

As noted in Appendix 2A it is vital that regular contact is maintained with external stakeholders throughout the duration of the remainder of the TOM work, to ensure that all interested parties are informed of progress and to provide the opportunity for wider stakeholder input.

Q2. Do you have any comments our proposed Target Operating Model Development

Principles, as set out in Appendix 2B? Is there anything else you think should be included and/or excluded? Are the development principles, when considered with the design principles, sufficiently forward looking?

We have the following comments:

Potential central database of Half-hourly data – While we agree that aggregation of data prior to the BSC settlement systems is not necessarily required, it does not necessarily follow that a central database of Half-hourly data is the solution. This does not seem like a design principle but more like a design assumption – the requirement is that non-aggregated Half-hourly data is made available to the BSC systems and the principle should be that this is done in a way that balances data accessibility and cost with security risk.

Data and communication standards – we agree that data storage, transfer and communication specifications should be standardised across the new systems and interfaces. However, a parallel principle should be included that allows flexibility in how data is retrieved and processed before being stored and communicated. The outcome of this development work should be set of rules that assure that the quality of the data used in the settlement process is

robust, but which allows flexibility on how that quality might be achieved. If possible it would be useful to move to being outcome rather than process focussed to enable parties to deliver those outcomes in the most economic and efficient manner possible.

Use of data by the Load Shaping Service and other BSC services – we agree that the system architecture design should not be a barrier to many more accurate load shapes categories being created and used for settlement. The need for simplification in regards to the data required to categorise consumers’ needs to be balanced with the need for load shape information to be as accurate a reflection as possible of consumption over time – especially if consumers are able to opt out of providing half hourly data and the process relies on estimation of that data based on daily or monthly reading data.

Transition – we strongly agree that appropriate time need to be given to integration testing. Given the scope of the proposed changes and the potential impact on consumer facing processes it must be ensured that sufficient time is allowed to be able to test the new arrangements on a truly end to basis prior to implementation, to minimise the risk to settlement and to consumers.

Whole settlement system considerations – as noted in our response to question 1 the scope should not just be limited to the meter to bank process for settlement but must consider the consequential changes on other, consumer facing processes such as switching and billing.

Q3. Do you agree that the [TOM Design Principles](#) are still applicable for the further development of the TOM? Do you believe the TOM Design Principles need to be updated going into this new phase?

The TOM Design Principles are still generally applicable to the next phase of the development of the TOM. We have not identified any updates that need to be made.

Q4. Do you agree with the updates to the Terms of Reference for the Design Advisory Board, as set out in Appendix 2C?

We agree with the updates to the Terms of Reference for the Design Advisory Board.

Q5. Do you have any comments on the proposed set-up of the Code Change and Development Group and their associated Terms of Reference, as set out in Appendix 2D?

We have the following comments regarding the ToR for the CCDG:

- In line with our previous comments regarding consumer facing impacts there is no mention of consumer issues in section 1.2 of the ToR.
- It is not clear that the CCDG will have the information available to be able to list of CCDG decisions that are dependent on Ofgem policy decisions (as required in section 3.1). Why is this short timescale important?
- In regards to section 5.2, in line with previous comments we agree that expertise in consumer issues will be vital for the CCDG's work.
- Is there a reason that CCDG members will not have alternates (as per section 6.3)?

Q6. Do you have any comments on the proposed set-up of the Architecture Working Group and their associated Terms of Reference, as set out in Appendix 2E?

We have the following comments regarding the ToR for the AWG:

- Is there a reason that AWG members will not have alternates (as per section 7.3)?

You can ask us to keep your comments confidential, and we'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. If you want us to keep your comments confidential, you should clearly mark your response to that effect and include reasons. If you are including any confidential material, please put it in the appendices. If the information you give in your comments contains personal data under the Data Protection Act 2018, the Gas and Electricity Markets Authority will be the data controller. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000.