

Feedback Form

Electricity retail market-wide half-hourly settlement: consultation

The deadline for responses is 14 September 2020. Please send this form to HalfHourlySettlement@ofgem.gov.uk once completed.

Organisation: ENGIE Power Ltd

Contact: Jonathan Moore

Is your feedback confidential? NO YES

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Target Operating Model (TOM)

1. We propose to introduce MHHS on the basis of the Target Operating Model recommended by the Design Working Group last year. Do you agree? We welcome your views.

Yes, we feel that the proposed Target Operating Model is a good basis for the design of MWHHS processes.

2. Ofgem's preferred position is that HH electricity consumption data should be sent to central settlement systems in non-aggregated form. Do you agree?
We welcome your views.

Yes we agree. Separating the Data Aggregation functionality away from Central Settlement Systems has no operational benefit. Greater granularity of data provided to Central Systems will also enable future state settlement processes.

Settlement timetable

3. We propose that the Initial Settlement (SF) Run should take place 5-7 working days after the settlement date. Do you agree? We welcome your views.

A 5 working day SF run is the minimum timeframe we would be comfortable with in order to allow weekly downloads to be taken from large consuming sites with communication faults. We would suggest that 7 to 8 working days would be more practical to allow data from manual downloads to reach Central Services.

A shortened SF window will see reductions in data accuracy during holiday periods where manual downloads will not be possible.

4. We propose that the Final Reconciliation Run (RF) should take place 4 months after the settlement date. Do you agree? We welcome your views.

A 4 month RF window will bring benefits in improving parties financial certainty, however there is an added risk of an increased number of Trading Disputes and issues where incorrect data has been added into settlement that cannot now be amended.

We'd expect to this particularly in large industrial sites where consumption can be erratic and metering faults can take some time to resolve.

5. We propose that the post-final (DF) settlement run should take place 20 months after the settlement date, with the ratcheted materiality proposals described in chapter 4. Do you agree? We welcome your views on this proposal, and in particular about its potential impact on financial certainty for Balancing and Settlement Code parties.

A 20 month DF run will mitigate some of the risk caused by a shortened RF run detailed above. We support this timescale and also agree with the proposed ratcheted materiality proposals.

However before being able to provide a more detailed view we would welcome confirmation of the proposed boundaries for when disputes could be raised.

Export-related meter points

6. We propose to introduce MHHS for both import and export related MPANs. Do you agree? We welcome your views.

Yes, it is sensible to apply MWHHS for both import and export.

7. We propose that the transition period to the new settlement arrangements should be the same for import and export related MPANs. Do you agree? We welcome your views.

We agree, it is sensible to align the transition period for import and export.

Transition period

8. We propose a transition period of approximately 4 years, which at the time of analysis would have been up to the end of 2024. This would comprise an initial 3-year period to develop and test new systems and processes, and then 1 year to migrate meter points to the new arrangements. Do you agree? We welcome your views.

These timelines appear broadly sensible. However, given experience of P272, a longer migration period may be required. We would propose a 2 year development period followed by a 2 year migration period.

9. We have set out high-level timings for the main parties required to complete a successful 4-year transition to MHHS. Do you agree? We welcome your views, particularly if your organisation has been identified specifically within the timings.

The timings appear broadly sensible.

10. What impact do you think the ongoing COVID-19 pandemic will have on these timescales?

We don't expect COVID-19 to have a direct impact on the implementation of MWHHS. However, the travel and social distancing restrictions imposed in any future lockdowns could have a significant impact on the roll-out of Smart Meters which is a pre-requisite for MWHHS.

This could indirectly affect the MWHHS timeline.

Data access and privacy

11. We propose that there should be a legal obligation on the party responsible for settlement to collect data at daily granularity from domestic consumers who have opted out of HH data collection for settlement and forecasting purposes. Do you agree that this is a proportionate approach? We welcome your views.

We agree that this is proportionate. We though welcome further clarity on the process for customers who have opted out and how customer's preferences will be communicated following a switch.

12. Existing customers currently have the right to opt out to monthly granularity of data collection. We are seeking evidence about whether it is proportionate to require data to be collected at daily granularity for settlement and forecasting purposes for some or all of these consumers. We welcome your views.

We agree that daily granularity is proportionate.

13. Should there be a central element to the communication of settlement / forecasting and associated data sharing choices to consumers? For example, this may be a central body hosting a dedicated website or webpage to which suppliers may refer their customers if they want more information. If yes, what should that role be and who should fulfil it? We welcome your views.

A central communication hub would be very useful in communicating the impact and options for MWHHS. This will ensure that some of the issues involved with the implementation of P272 are avoided.

The role would be to act as a central repository of information that customers could be directed to and also to provide materials that could be used on parties' websites and in other communications.

We would prefer this role to be fulfilled by a trusted independent party such as Ofgem.

Consumer impacts

14. Do you have additional evidence which would help us refine the load shifting assumptions we have made in the Impact Assessment?

No additional information.

15. Do you have any views on the issues regarding the consumer impacts following implementation of MHHS? Please refer to the standalone paper we have published for more detailed information.

No extra views.

Programme management

16. Do you agree we have identified the right delivery functions to implement MHHS? We welcome your views.

Yes, the right delivery functions have been identified.

17. We have set out some possible options for the management of the delivery functions, and a proposal on how these would be funded. We welcome your views on this.

We would support a funding model based on MPAN market share.

Other

18. Do you have any comments on the Impact Assessment published alongside this document, or any additional evidence that you think we should take into account?

No further comments.