

## **Feedback Form**

### **Electricity retail market-wide half-hourly settlement: consultation**

Please send this form to [HalfHourlySettlement@ofgem.gov.uk](mailto:HalfHourlySettlement@ofgem.gov.uk) once completed.

As noted in the consultation document, no deadline for responses is being set at this time. When we set one, we will publish an update on the Ofgem website, and give at least 10 week's notice.

**Organisation:** Western Power Distribution Plc

**Contact:** Tracey Pitcher /Simon Yeo

**Is your feedback confidential?**      NO       YES

Unless you mark your response confidential, we will publish it on our website, [www.ofgem.gov.uk](http://www.ofgem.gov.uk), and put it in our library. You can ask us to keep your response confidential, and we will 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

response confidential, you should clearly mark your response to that effect and include reasons.

If the information you give in your response contains personal data under General Data Protection Regulation (EU) 2016/679 and 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. If you are including any confidential material in your response, please put it in the appendices.

## 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 believe the TOM has been through industry consultation and is fit for purpose, However there does need to be consideration for the TOM to deliver the capability for Network Charging Purposes, and therefore the TOM may need to consider The Access SCR and other possible requirements for data items other than the current LLFC.

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 – as long as the Network Charging Solution for Current Super Customer Mpanans remains in an aggregated format

## 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.

Yes – the move to 5-7 days seems sensible and moves closer to the current HH arrangements.

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.

Yes – we agree with the RF run should take place after 4 months, and that the revised proposal for DF Run after 20 months with the ratcheted materiality provides adequate time to cover any risk to the accuracy and integrity to settlements

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.

Yes – we agree that the revised proposal for DF Run after 20 months with the ratcheted materiality provides adequate time to cover any risk to the accuracy and integrity to settlements

## 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 – We believe all import & export related mpans should be included for MHHS, as this will improve settlements as the GSP group correction factor will better reflect the actual usage of the network.

This will also improve visibility for DSO's and aid with network planning.



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.

Yes we agree that whichever transition period is adopted should be the same for both Import and Export mpans and any move to separate would add further complexities to the process

## 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.

In theory this sounds feasible – and we are supportive of the proposal. However it should be considered when planning the timescales of the system changes, and new data items that will be required for the registration system the ongoing impact of the Faster Switching Project, together with other industry changes potentially required for the Duos charging SCR and TCR.

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 Settlement Reform Programme Plan, should be co-ordinated with the Faster Switching Plan, to ensure both projects are achievable. As an example you quote Registration System Changes throughout 2021 up to May 22, However Registration parties ( DNO's ) and there software provider( St Clements )will be undertaking testing for the Faster Switching Project during this time , with an anticipated code freeze from Nov 21( current plan ) until Faster Switching goes live towards the end of Q1 2022. Therefore resources are likely to be stretched.

Also you mention in 6.15 that CSS ( DCC solution) would be in the final stages to enable to test from meter to bank , however the new replan due 18/09 may push these dates out further .

Given the conflicts mentioned above and the volume of industry change, we believe there is material risk in running numerous projects in parallel.

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

Covid 19 has already impacted the Faster Switching project by 6 months and could change further once the replan is issued. This has a knock on effect to the MHHS and causes a greater overlap and should therefore be considered.

## 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.

Yes

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.

Yes

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.

Yes we believe that customers should have a right to access their data and a central body would seem sensible.

## 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 Comment



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.

We have no further views

## Programme management

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

We would support the option of an industry party with relevant knowledge and capability to take responsibility for some or all the programme management functions, reporting to governance that remains accountable to the Ofgem SRO.

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.

The programme management should be assessed and reviewed at strategic intervals to ensure the project is effective in meeting its objectives , further to that the cost of the programme management via the BSC should be clearly identified and transparently communicated to all effected parties at the earliest opportunity

## 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