

Anna Stacey
Head of Settlement Reform
HalfHourlySettlement@ofgem.gov.uk

18/02/2021

Dear Anna,

Market Wide Half Hourly Settlement implementation principles

Energy Saving Trust is an independent organisation dedicated to promoting energy efficiency, low carbon transport and sustainable energy use. We aim to address the climate emergency and deliver the wider benefits of clean energy as we transition to net zero. We empower householders to make better choices, deliver transformative programmes for governments and support businesses with strategy, research and assurance – enabling everyone to play their part in building a sustainable future.

We welcome the opportunity to comment on the implementation of Market Wide Half Hourly Settlement (MWHHS). Settlement reform should bring forward important benefits because it should lower system wide costs through greater efficiency and reform should facilitate important product and service innovations which will help people use electricity more efficiently and decarbonise their energy use.

Question 1: Do you agree with the challenges and risks that we have identified? Are there any other challenges or risks from the implementation approach described in this document that you would like to bring to our attention? If so can you suggest any appropriate solutions or mitigations?

We agree with the risks that you have identified. Fair, robust and well informed decision making should be at the heart of this process. In particular we emphasise the importance of decision making that is clearly focused on consumer outcomes. Best practice in industry code change processes have had a focus on consumer outcomes and an articulation of consumer impact. This focus will be needed for settlement reform as ultimately these reforms will need to work well for consumers if they are to be successful.

Question 2: Do you support the solutions and mitigations proposed? Are there additional measures or mitigations that you would propose to make the programme implementation approach more robust and effective?



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We agree that good governance and independent assurance are solutions to the challenge of robust, well-informed and fair decision making. Ofgem's proposal to develop Elexon's existing role as the Balancing and Settlement Code (BSC) code manager makes sense given their considerable expertise in this area. We note that Elexon has a good track record of focussing on consumer outcomes through the delivery of the Balancing and Settlement Code.

Yours sincerely

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