

Response Form

Market-Wide Half-Hourly Settlement (MHHS)

Consultation on Programme Implementation

Principles

The deadline for responses is 5 March 2021. Please send this form to HalfHourlySettlement@ofgem.gov.uk once completed.

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Is your feedback confidential? NO YES

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Challenges and Risks

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?

Thank you for the opportunity to comment upon the MHHS programme implementation principles.

As an organisation contributing to many major industry change programmes since 1990 we recognise the challenges and risks detailed in section 4 that rightly concern the effective governance of the programme and its backing among industry participants. However, we foresee major additional challenges and risks arising within our certified area of expertise; architecture. These can best be articulated under the following headings:

1. The orientation of Policy Directives in an Architecture Framework
2. Architecture Change Management
3. Architecture Governance
4. The importance of Architecture to Digital Service Procurement

The following paragraphs explain and elaborate upon these headings. We suggest some solutions and mitigations for your kind consideration in our response to question 2.

1. The impact of Policy Directives upon an Architecture Framework

Large and complex businesses or undertakings, “enterprises”, are increasingly being supported by teams of architects who help to design and evolve enterprises at an architectural level. There are

typically four architecture domains that form a framework inside an overall enterprise architecture: Business Architecture, Application Architecture, Information/Data Architecture and Technology Architecture (BAIT). Architects often specialise in one of these domains.

Although MHHS when viewed as a policy directive undoubtedly has a significant impact upon the Business Architecture and Application Architecture of Settlements (BSCCo), its impacts are not confined wholly to Settlements. Moreover, impacts to the Information/Data Architecture and Technology Architecture are extensive within the electricity Retail Energy Market. Consequently there is a risk that architectural design will be unduly influenced in the context of a Settlements programme as opposed to that of the Retail Energy Market as a whole.

To give an illustrative example, the user experience of digital services that are developed for Market Participants could be delivered in ways that misalign with, or misalign with the the future direction of, other Retail Energy Market services.

2. Architecture Change Management

Assessing substantial architectural change requires an assessment against each of the architectures; Business, Application, Information/Data Architecture and Technology (BAIT); in turn.

Unfortunately it doesn't end there, as the assessment of each of the architectures may create an impact upon the previous assessments.

In particular, we often see an impact of technology constraints or costs upon the preceding assessments. At this juncture a final assessment is required, in the round.

Outputs from MHHS working groups correspond roughly to BAIT. The Design Working Group produced the Target Operating Model as well as the high-level transition approach, which both sit firmly in the Business Architecture domain. The Architecture Working Group are defining a reference architecture that will set the framework for suitable data integration, which spans Application, Information/Data Architecture and Technology Architecture domains. In particular, notes from AWG meetings document their consideration of technology patterns used in integration, which we likewise recognise as being widely used in many industries, as well as the Retail Energy Market. As previously explained, at this juncture a final architecture impact assessment is required, in the round.

There is a risk that a narrow and tactical final assessment may be made that fails to grasp the opportunities presented by adopting a more suitable data integration pattern, inhibiting the continuing progress and flexibility of the Retail Energy Market.

3. Architecture Governance

There is continuing debate in the architecture community of the need for burdensome structures of Architecture Governance. While modern, lightweight and flexible digital service provision has undoubtedly reduced the need, a reasonable level of Architecture Governance emanating from the centre of an enterprise will be required for the foreseeable future. There is a risk that the major future challenges faced by the Retail Energy Market will be unachievable without Architecture Governance that is properly steered and empowered. There is a further risk that by distancing itself from Architecture

Governance, the capability that Ofgem possesses to steer Architecture Governance may wither.

4. The importance of Architecture to Digital Service Procurement

There is a risk that the procurement of digital services may fail to incorporate legitimate architectural constraints. Although there is an acknowledged benefit to procurement outcomes if requirements are non-prescriptive in the way to which services are delivered, the inclusion of architectural constraints is often necessary. Of course the question remains in each case as to the extent to which proposed constraints are legitimately architectural.

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?

In response to the challenges and risks concerning architecture that we raise in question 1, we would advance the following measures under each of the aforementioned headings:

1. The orientation of Policy Directives in an Architecture Framework

Establish an overarching Retail Energy Market architecture practice that addresses Business Architecture, Application Architecture, Information/Data Architecture and Technology Architecture. This must act at the appropriate (high) architectural level to be effective and efficient.

2. Architecture Change Management

An explicit final architecture assessment should be produced, detailing and justifying the trade-off decisions made against Business Architecture, Application Architecture, Information/Data Architecture and Technology Architecture.

3. Architecture Governance

Architecture Governance must be properly steered and empowered. Under current arrangements this can only derive from Ofgem or its partner.

4. The importance of Architecture to Digital Service Procurement

Areas of intentional and emergent architecture should be explicitly defined. Architectural constraints to problem and solution spaces should be incorporated into the procurement of digital services.

