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Anna Stacey
Settlement Reform,
Ofgem,
10 South Colonnade,
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Re: Consultation on MWHHS programme implementation principles

Dear Anna,

Thank you for the opportunity to respond to the consultation on the Market Wide Half Hourly Settlement (MWHHS) programme implementation principles.

The SEC Panel have identified two challenges/risks not captured in the consultation. These are set out below:

- **Lack of clarity on how changes will be coordinated and implemented**

It is unclear from the consultation how the required changes to the Industry Codes for MWHHS will be developed and implemented. This causes concern as it is uncertain how sufficient input will be sought from the SEC. We remain strongly of the opinion that any changes to the SEC should be developed by SECAS under the guidance of the SEC Panel (and its sub committees), rather than changes prescribed to the SEC by a central body without sufficient input. This would ensure that the required changes meet the needs of Parties, are cost effective and do not undermine the existing SEC Services.

Equally, it is worth emphasising that SECAS is a separate organisation to the Smart metering central systems delivery body (the DCC), with the latter being licenced and subject to price control by the Authority. We note the potential to move to an SCR framework whereby directions to raise required Modifications are issued via licences. Such an approach would require Modifications to be raised by the DCC or SEC Parties. We do not believe such an approach will facilitate timely or transparent drafting of SEC changes and again emphasise the desire for any changes to the SEC as a result of MWHHS to be drafted by SECAS under the guidance of the SEC Panel.

We note the desire that any Modifications resulting from MWHHS will be sent to the Authority for determination, which is welcomed. However, we would reiterate the need for clarity over the approach to drafting the detailed changes along with the associated timeline.

- **Development of an end to end solution**

We believe the inclusion of assurance in the governance model will help provide comfort to Parties that decisions are taken in a robust manner and there are no conflicts of interest. However, the outstanding issue is the need for clearer governance in developing and assessing an end to end business solution. To date, the assessment on Smart metering has been confined to how the smart metering architecture must change to accommodate MWHHS. There has not been consideration of impacts on the end-to-end business processes which SEC Parties will rely on to settle the data provided by Smart meters on a Half Hourly basis. Whilst the solution design

has focused primarily on settlement solutions, the wider end to end solution design has been piecemeal and not fully coordinated. We have recently raised concerns that cross code issues do not always take into consideration the full picture of impacts on Parties and tend to limit themselves to the primary industry area. We believe as part of the governance changes there needs to be a clear remit and direction for designing and refining the end to end industry processes with relevant industry experts.

If you would like to discuss this further, please do not hesitate to contact myself or SECAS on 020 7090 7755 or SECAS@gemserv.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Davies', written in a cursive style.

Peter Davies

SEC Panel Chair