

Half hourly settlement update



Dear stakeholder

In response to feedback we have decided to send out a regular update on our work to implement half-hourly settlement (HHS) for the GB electricity market.

These updates will cover the three streams of work (migration of customers in profile cases 5-8, elective and mandatory) but focus predominantly on the future work to mandate settlement of all consumers using their actual half-hourly data.

We will use these updates to ask for ad-hoc input to policy development for mandatory HHS as well as to invite you to attend workshops and events, and highlight any new publications.

Our website where you can find key information, documents and presentations is here:

<https://www.ofgem.gov.uk/electricity/retail-market/market-review-and-reform/smarter-markets-programme/electricity-settlement>

Please feel free to share this newsletter with colleagues. If you would like to subscribe or unsubscribe from this email please contact halfhourlysettlement@ofgem.gov.uk.

Warm regards,

Anna Stacey on behalf of the Settlement Reform Team

Mandatory HHS – the long term goal to settle all electricity consumers based on their actual half-hourly data

The consultation on the plan for mandatory HHS was published in November 2016. We received 32 responses which are published on our website. Below is a link to our website for the consultation and responses.

We then held a workshop in London on 19 January to discuss the responses we received and outline the next steps. The slides and a note of the proceedings are on our website too.

We are now working on our response to the consultation where we will launch the Significant Code Review alongside a revised plan for the project.

Work has started on the Impact Assessment. We are always happy to receive materials from stakeholders which might assist us, or to discuss with stakeholders who have an interest.

We also plan to hold monthly conference calls with stakeholders during the design work for the Target Operating Model for mandatory HHS. If you would like to register your interest in participating in future conference calls please email halfhourlysettlement@ofgem.gov.uk

Ofgem is considering the distributional effects arising from how smart tariffs affect different types of consumer and whether any additional protections will be needed as a result of moves towards half-hourly settlement.

Looking ahead

- Significant Code Review launch, Q1 2017-18. The launch will include updated timelines and our proposed approach for the Target Operating Model development.
- Request for information, Q1 2017-18. We will be seeking evidence for the Impact Assessment.

Key links

Consultation <https://www.ofgem.gov.uk/publications-and-updates/consultation-mandatory-half-hourly-settlement-aims-and-timetable-reform>

Workshop <https://www.ofgem.gov.uk/publications-and-updates/mandatory-hhs-workshop-summary-note-and-slides-19-january-2017>

P272 and P322 – Mandatory HHS for profile classes 5-8

The 1 April 2017 deadline for suppliers to implement P272 and P322 is imminent.

Both Ofgem and the Performance Assurance Board (PAB) are monitoring progress against meeting this deadline.

In late February Ofgem attended PAB to provide some clarification on the relationship between compliance action taken by the industry code body and enforcement action taken by Ofgem. We then published a second open letter which provided this information to stakeholders more widely.

We are in the process of updating the Frequently Asked Questions on our website too.

Key links

[Open letter on the migration of consumers in profile classes 5-8 to half hourly settlement under P272 and P322](#)

[Second open letter on migration of consumers in profile classes 5-8 to half hourly settlement under P272](#)

Elective HHS – removing barriers for suppliers to choose to HHS from 2017

Decisions have been taken on all the code modifications required to address the barriers to elective HHS. The first change was implemented in the February BSC Release – further changes will be implemented at the start of April and the end of June.

We are interested in talking to suppliers who are considering taking up elective HHS. If you have not already been in contact, please email martin.bell@ofgem.gov.uk to arrange a meeting.

Key links

<https://www.ofgem.gov.uk/publications-and-updates/elective-half-hourly-settlement-conclusions-paper>

<https://www.ofgem.gov.uk/publications-and-updates/elective-hhs-tracker>