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## **ICoSS response to *Access to half-hourly electricity data for settlement purposes***

The Industrial & Commercial Shippers & Suppliers (ICoSS) is the trade body representing the majority of the GB non-domestic energy market. Our members, who are all independent Suppliers, in total supply in excess of three quarters of the gas and half the electricity provided in the highly competitive non-domestic market.

Please note that our response is limited to its impact on the non-domestic sector.

### **Summary**

ICoSS does not believe that a licence condition on suppliers is required to achieve Ofgem's goal of universal Half-Hourly Settlement (HHS), and that industry change processes can be utilised instead. Irrespective of the delivery route, the industry is not in a position at this stage to move all remaining NHH I&C sites to HH status. Until the market is able to deliver the requirements, there should be no change to existing obligations for non-domestic customers.

### **Introduction**

*Question 7: Do you think that there should be a legal obligation to process HH data from all smart and advance metered microbusiness customers for settlement purposes only? If you disagree, please explain why.*

*Question 8: Are there any issues relating to access to data from microbusinesses that you think Ofgem should be aware of?*

We acknowledge that Ofgem is seeking to mandate HHS across the whole market. It is difficult to understand Ofgem's intentions in detail, as the current proposals have only been described at the level of "an obligation", with no information as to implementation or transition; we have made a number of assumptions as to what form this could take.



## Implementation Route

There are a number of ways in which the Ofgem policy objective can be achieved. Larger non-domestic customers (Profile Classes 5-8) are currently settled on a half-hourly basis in line with the requirements of the BSC. This allows a level of flexibility in delivery and the wording of the obligation, reflecting the realities of rolling out HHS as well as detailed industry oversight. It is notable that Ofgem has not believed it necessary to impose a licence requirement to achieve this rollout and has allowed Elexon to take the lead.

We assume that Ofgem may be considering a new licence condition is a suitable mechanism for achieving these policy objectives. We have a number of concerns with creating the new regime via a supplier licence condition.

Firstly suppliers would be unable to easily discharge such an obligation. A large proportion of the process for transitioning a site to HHS is outside of a supplier's control, particularly for AMR sites (of which there are 100,000s installed at Profile Class 3 & 4 sites), as it requires DNO approval for the transition to occur. Suppliers would be dependent on external parties over which they have no control to meet their licence obligations.

Secondly, once implemented, a licence condition would be extremely difficult to modify to take account of changing circumstances. As has been demonstrated by the delays in the Smart Metering rollout programme, it has been necessary to continually adjust the licence drafting to reflect changes in the programme.

Thirdly a licence condition is likely to be redundant. It will be necessary to detail the operational requirements within the BSC, irrespective of the implementation route. Considering that suppliers are already obliged to install smart or AMR meters at all sites, it is difficult to see how a licence condition will add any meaningful obligations to suppliers.

Implementing the new HHS regime via industry codes seems to represent the most viable option. Though we note that the move to universal HHS for PC-5-8 customers took longer than expected, it has ultimately been successful and can take advantage of a robust verification regime. It can also be timed to coincide with any system changes required.

## Timing

The market is not in a position to move to HHS for all non-domestic PC1-4 sites at this stage. The current process for moving a site from NHH to HH is a complex process relying on both suppliers and DNOs. It is a largely manual activity and there is simply not the capacity for the movement of 100,000s of existing AMR sites to





HHS, as has been demonstrated by the extended timescales for the movement of PC5-8 customers.

We anticipate that the market will develop the capability to move to universal HHS once Ofgem's policy intentions are clear. Any changes in obligation to settle non-domestic sites on a half-hourly basis should be aligned with that development timescale and that until that time the current regime should stay in place.

Should you wish to discuss any aspect of this response please contact me directly

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