Public

Design Working Group

Meeting 17

1 May 2019
Transitional Approach

Health & Safety

In case of an emergency

An alarm will sound to alert you. The alarm is tested for fifteen seconds every Wednesday at 9.20am

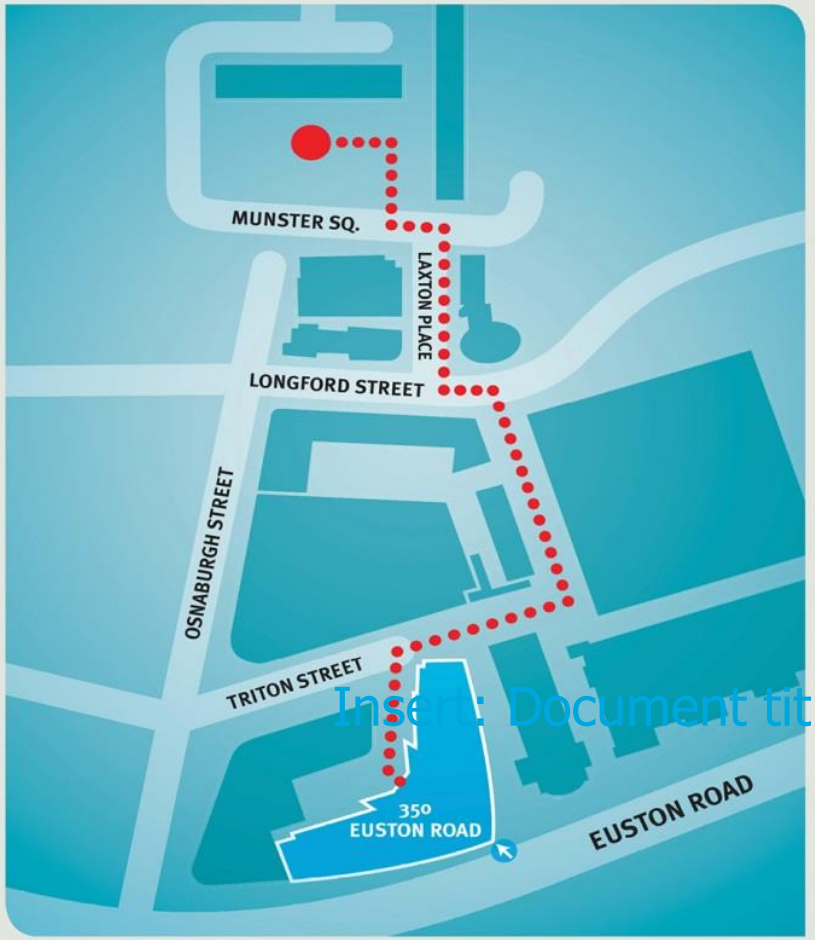
Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



Agenda

Agenda item	Paper no.	Lead
1. Introduction, apologies and meeting objectives	Verbal / Gantt chart	Kathryn Coffin
2. SCR update	Verbal	Ofgem
3. Review outputs of transition work streams: • Advanced Segment • Smart & Non-Smart Segment • Unmetered Segment	*Materials to follow by 26/04/19*	Matt McKeon Mark De Souza-Wilson Kevin Spencer
4. Agree overall transition critical path	*Materials to follow by 26/04/19*	Kevin Spencer
5. Update from PAB on MHHS/PAF interactions	PAB paper 219/05 / Verbal	Kevin Spencer
6. Agree Settlement timetable transition approach	Slides to be provided at meeting	Matt McKeon
7. Agree initial content of transition RAID log	Verbal	Kathryn Coffin
8. Actions	Actions log	Kathryn Coffin
9. Summary and next steps	Verbal	Kathryn Coffin

Review of Outputs from Work streams

DWG17

Transition Output

- Storyboards (to be developed)
- Key Milestone Spreadsheets
- Key Milestone Plans

The following colour coding has been applied:

Transition General
System Developments
Governance and Codes Changes
Commercial
Interfaces
Migration

- Agree the approaches
- Identify key milestone omissions
- Identify if dependencies are correct
- Agree critical path

Advanced Segment – high level transition approach

Phase one – Governance, system and process changes

- Ofgem will direct changes to governance and code documentation using their Smart Meters Act powers.
- BRP reviews its contractual arrangements with customers and adapted their systems to bill using HH data provided by the ARP following initial data cleanse activity.
- HHDC and HHMOA are able to qualify as ARP and MSA respectively for all Advanced meters.

Phase two – Adoption of HH MPANs and migration of NHH MPANs

- BRP agrees contractual terms with the ARP and MSA reflecting new responsibilities under the TOM.
- A schedule of transition activity agreed between BRP, ARP and MSA and monitored by ELEXON.

Phase three – Interfacing with revised registration system

- ARP and MSA can interface with the revised Registration Service, including for 'appointments'.

Phase four – Transfer of data into to BSC Central System

- ARP re-directs disaggregated data to BSC Central systems instead of via an aggregator.
- The HH data for 'migrated' customers can be notified to BRP directly by the ARP.

Phase five – Removal of old HH Agent and NHH data and processes

- Potential rationalisation of Measurement Classes C, E, F and G to align with the TOM segments.

Smart and non-smart Segment – transition approach

1. Develop/build systems
2. Accede to SEC/become DCC user
3. Qualify
4. Deploy. Interfaces operational
5. Go-live
6. Elective HH?

Unmetered Segment – high level transition approach

Phase one – Governance, system and process changes

- Ofgem will direct/make changes to governance and code documentation using their Smart Meters Act powers.
- The UMSOs and BRPs review and cleanse their data, The UMSO & MA System changes, The MA will undertake qualification as an UMSDS.

Phase two – Adoption of HH MPANs and migration of NHH MPANs

- UMSO, SMRS & BRP will need to change registration of NHH UMS customers to HH.
- A schedule of transition activity agreed between BRP, UMSO and UMSDS and monitored by ELEXON.

Phase three – Interfacing with revised registration system

- SMRS interface with the new registration system for appointments.

Phase four – Transfer of data into to BSC Central System

- UMSDS, redirects data to BSC Central systems.
- The HH data for 'migrated' customers shall be notified to BRP directly by the UMSDS.

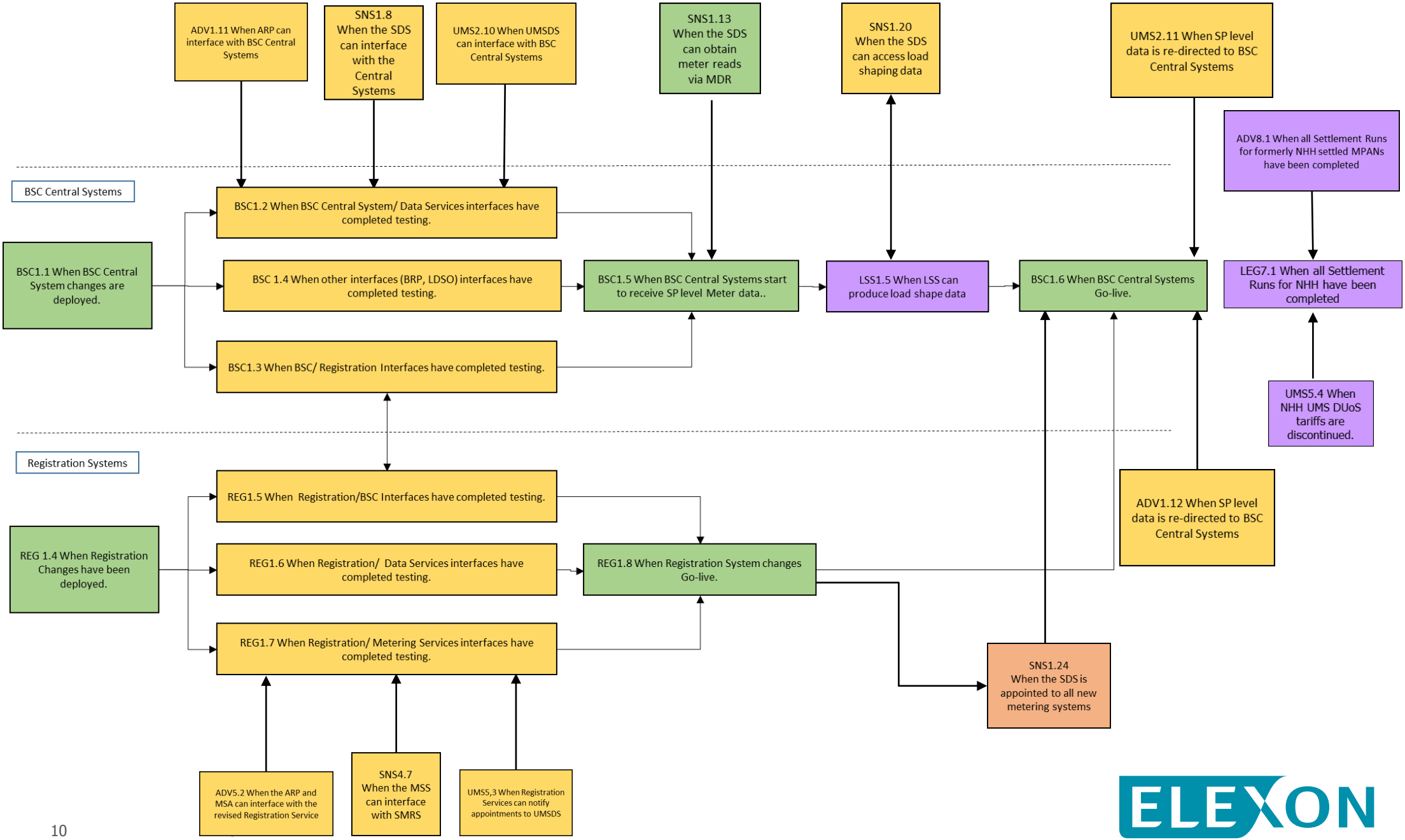
Phase five – Removal of HH Agent and NHH data and processes

- End dating of LLFC ids, dating of Measurement Class B (NHH Unmetered Supplies) in MDD.
- Removal of NHH UMS DUoS Tariffs, Removal of HHDC/DA role from UMS segment.

MHHS Transition: Critical path

Kevin Spencer

Integration: Critical path?



Public

Update from PAB on MHHS/PAF interactions

Recommendations for agreement

DWG 17

Kevin Spencer

ELEXON

PAB Paper 219/05

PAB 219 were provided a paper setting out answers to DWG's three questions:

- What high-level assurance framework/principles will be needed to support MHHS?

- What elements of the PAF are no longer required, need to change, or need to be introduced under the TOM?

- What DF Run cut-off and Disputes materiality threshold (or principles to determine the threshold) are appropriate for MHHS?

ELEXON's initial observations

- The PAF has just been reviewed under the PAF Review – we now have a flexible, responsive PAF that can be deployed in response to any potential risk arising under any Settlement arrangements
- DWG had difficulties in producing analysis that could predict future performance and the extent of any Settlement Risks under a reduced Settlement timetable – ELEXON has faced similar difficulties
- Given this, ELEXON is finding it hard to propose any specific performance targets now and recommends assessing/setting these nearer the time when more data / analysis is available
- Then the PAB can identify risks, assess impact, determine its risk appetite and deploy Performance Assurance Techniques accordingly

PAB discussion

PAB strongly endorsed the approach set out in the paper:

- Recognised the difficulty in setting out 'line in the sand' timescales without data to support the rationale for those timescales
- Recognised that DF could be flexible with ratcheted materiality thresholds
- Recognised that serials would need to reflect new types of actuals and estimates set out in the TOM

ELEXON has considered the PAB view; the DWG needs to agree recommendations for the transitional consultation

ELEXON logic and proposals for Dispute window

Ofgem DWG design principles say:

Full consideration is to be given to how reduced timings (including post reconciliation dispute runs if needed) of each settlement run and a reduced number of runs will create a settlement system which benefits all parties and maintains robust performance assurance.

ELEXON therefore believe that a dispute run timing of greater or equal to the current 28 Months will not be acceptable to Ofgem (as it would not meet the design principles).

We also believe that it makes sense for the cut-off to be a multiple of the RF window (recommended at 4 months). If DWG agree that 12 months is too short this leaves the following options:

- 16 months
- 20 months
- 24 months

We propose 20 months as this gives a two year window from the Settlement Day.

ELEXON logic and proposals for Materiality Thresholds

ELEXON took on PAB's view that the materiality could be ratcheted as time progresses

If a 20 month window were deemed appropriate then one approach could be:

Months since RF	Materiality Threshold
4	*£10K (examples only)*
8	*100K*
12	*500K*
16	*£1M*
20	*£2M*

PAB could flex the thresholds as evidence is collected of actual Disputes under new model

PAF Performance Serials

We suggest that the DWG's Transitional Approach Consultation sets out any assumptions and principles that it believes the PAB should apply when setting Performance Serials for the transition/TOM. These could include the following:

Assumptions:

- *The serials will not be same as currently for NHH or HH*
- *The serials will be configurable/adaptable and set by the PAB (no Modification Process)*
- *Do not assume that Actuals and Estimates as currently defined will be the basis of the serials*

Principles:

- *Serials will be set so as not to dis-incentivise movement to the TOM*
- *Parties will not be penalised for poor DCC performance*
- *Parties will not be penalised for customer choice (e.g. if they opt-out)*
- *Serials can be flexed by Market Segment/MC and/or Meter Type*

Settlement Timetable: Transition Approach

Matt McKeon

Considerations for Settlement Timetable transition

View of TOM consultation respondents seems to favour 'back loading' the cutover to the new timetable

Arguments for:

- *Allows maximum time for the MDS, LSS and TOM data services to be ready*
- *Ensures the new Settlement Calendar will only impact BSC Central Systems*
- *Allows the PAF to monitor performance while new serials are developed*
- *Allows for a stepped reduction of key reconciliation runs (e.g. SF, RF and DF)*
- *Data Aggregators don't have to manage multiple submission calendars*

Arguments against:

- *Extends NHH runoff later in absolute time (although this could be sped up)*
- *Requires HH Aggregators to be in place for longer before MDS takes over*
- *Delays realisation of benefits related to faster reconciliation*