

HEADLINE REPORT

MEETING NAME Design Working Group (DWG) – Market-wide Half Hourly Settlement SCR

Meeting number 18

Date of meeting 22 May 2019

Purpose of paper Information

Classification Public

Synopsis Summary of the eighteenth DWG meeting and actions arising.

1. Introduction, apologies and meeting objectives

1.1 ELEXON introduced the eighteenth DWG meeting and set out the meeting objectives. These were to agree the content of the DWG's consultation on its transition approach, including the consultation questions.

1.2 The DWG welcomed its two new members, Aaron Dickinson and James Abraham. It noted that Ofgem has also recently confirmed:

- Simon Harrison as the Data Communications Company (DCC) member, replacing Christine Pearson
- John Walmsley as James Murphy's alternate.

2. Ofgem SCR update

2.1 Ofgem confirmed that:

- It has yet to publish its policy decisions on access to Half Hourly (HH) data for Settlement purposes and on Supplier Agent functions – however, it plans to do so shortly with the Agent functions decision expected first
- In the absence of these decisions, it is happy for the DWG to continue with its consultation on the basis of Ofgem's November 2018 'least regrets' steer.

3. Review transition consultation document by area:

3.1 The DWG reviewed the content of the draft consultation document by the following subject areas and agreed a variety of edits to the document. The summary below captures the substantive comments.

Measurement Classes / metering mapping

3.2 The DWG agreed that:

- The terms in the tables (e.g. use of 'Smart' versus 'SMETS') should be tidied up to match the definitions in the Glossary, to avoid confusion
- While the proposed Non Half Hourly (NHH) Measurement Class mapping is helpful, showing both current and destination Measurement Classes for HH Meter types is confusing as these will not change – the HH table should therefore just show a single Measurement Class per Meter type
- To avoid confusion, the commentary should explain why Profile Class 00 does not appear in the tables – noting that this is not technically a Profile Class but is used to indicate the absence of a Profile Class
- The mapping tables should not try to capture exceptions ('fringe case' Meters), which should be covered in the commentary
- The commentary should explain that Meters going into the Smart & Non-Smart segment will maintain their Measurement Class even if they switch between Settlement Period-level data and register reads

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- The commentary should explain that Load Shape Categories will replace Profile Classes, and that all Meters will have a categorisation – this categorisation will be an enduring property of the Meter regardless of whether Settlement receives Settlement Period-level data or register reads
- The commentary should explain what happens if an Advanced Whole Current Meter is replaced by a smart Meter
- The Registration Service will need to hold/maintain a 'domestic / non-domestic' flag, as this will give the basis of a potential Load Shaping Categorisation (e.g. if combined with GSP Group).

Transition approach by segment

3.3 The DWG agreed that:

- Content should still be structured by segment, but that the text should state the DWG's conclusion first with the explanation/context after
- Phase bullets should be added to the Smart & Non-Smart segment for consistency with other segments
- There needs to be more content on TOM services which are not specific to a segment, including bringing the Central BSC Settlement Services and Registration Service online – these should be presented as a set of sequential activities, with the first step in the critical path being deployment of central systems
- The commentary should clarify that each segment does not necessarily need to be in the same phase at the same time – making clear that activities can happen at different speeds for different Meters in different segments
- The diagrams should be clarified to show HH Data Collectors and HH Data Aggregators as appropriate
- There should be commentary for each diagram, explaining the key differences from the current arrangements
- The text should be amended to clarify that only the Meter Data Retrieval Service needs to accede to the Smart Energy Code (SEC) as a DCC user while the Smart Data Service needs to Qualify under the BSC
- A bullet should be added to the section on the Smart & Non-Smart segment to describe how activities are monitored, for consistency with other segments
- References to contractual arrangements should be removed as these sit outside the Target Operating Model (TOM)
- In the 'Advanced Segment at a glance' text, it should be made clearer that Current Transformer Meters are a good candidate for early migration
- Phase 5 applies to all segments and so should be moved to the section on cross-cutting transition activities
- The document should also cover the removal of redundant roles
- The document should clarify that the DWG is assuming that Ofgem will make the bulk of Code and Licence changes using its Smart Meters Act powers, after its Full Business Case decision – however, the DWG is not ruling out other changes being progressed through the normal Code change processes (either before or after the Full Business Case decision).

3.4 ELEXON agreed to meet with St Clements to discuss the Registration Service interactions between Faster Switching and the TOM, although noting that the DWG assumes that Faster Switching (including the new Central Switching Service) will be implemented before the TOM.

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Elective Half Hourly Settlement

3.5 The DWG agreed that:

- The document should make clearer how Ofgem is suggesting that elective HH Settlement (HHS) could be used as a stepping stone to the TOM – i.e. by introducing Licence changes requiring all Suppliers to be able to support HHS
- The document should note the DWG's view that this is possible, but should note the limitations and seek respondents' views on feasibility
- Other comments made by Ofgem via email should be incorporated.

Performance Assurance Framework (PAF) impacts

3.6 The DWG agreed that:

- The table should be replaced with commentary
- The reference in the performance targets principles to 'events outside a Party's control' should be amended to 'systemic events outside a Party's control'
- Other comments made by Ofgem via email should be incorporated.

Settlement timetable

3.7 The DWG agreed that:

- The document should be clearer that the proposed 20 months timing for the Disputes Final (DF) Run is from the Settlement Day, not from the Final Reconciliation (RF) Run
- The document should clarify that any Trading Dispute will also need to meet the other criteria for a Dispute as set out in the BSC.

3.8 In response to questions from Ofgem, the DWG reiterated its reasons for choosing a long Disputes 'tail' to the Settlement timetable. It clarified that its proposed 'ratcheted' materiality threshold for Trading Disputes ensures that only significant, systemic errors are able to be corrected towards the end of this Dispute window. This maintains incentives on Parties to find and correct smaller-materiality errors quickly. The DWG noted that allowing a window for Disputes is not the same as allowing Disputes themselves, as any Trading Dispute would need to meet the materiality threshold and other BSC criteria in order to be upheld and thus eligible for error correction.

Other comments

3.9 The DWG agreed that the Executive Summary should:

- Draw out the intention of the phases in the transition approach
- Clarify that this is an approach, not a plan – and that further industry work will be needed, after Ofgem's Full Business Case decision, to turn the approach into a more detailed implementation plan
- Clarify that the DWG's transition approach remains architecture-neutral – during subsequent, more detailed, implementation planning, the specific timing of activities may be determined by decisions on the target architecture.

3.10 ELEXON and Ofgem agreed to discuss the inclusion of the overall SCR timeline outside of the meeting.

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4. Agree consultation questions

4.1 The DWG agreed that:

- The single consultation question 'Do you agree with the phased approaches proposed for each Market Segment?' should be split by market segment – i.e. one version of the question per segment
- The question on the overall transition critical path should be reworded along the lines of 'Do you believe that the critical path captures all key activities and dependencies?'
- The two consultation questions on the DF Run should be combined and reworded along the lines of 'Do you agree with the DWG's proposed approach to the Disputes timetable and materiality threshold?'
- The consultation should include an additional question on whether respondents' believe that the DWG's transition approach delivers its transition principles.

5. Agree transition content for RAID log

5.1 The DWG agreed that:

- The RAID log should be removed from the consultation document on the basis that the document already captures most of its content elsewhere
- Its final report to Ofgem should capture any outstanding matters that will still need to be considered during more detailed implementation planning.

6. DWG17 [Headline Report](#) and Actions

6.1 ELEXON advised that, with Ofgem, it has met with the Low Carbon Contracts Company (LCCC) to understand better its consultation response on the TOM. The LCCC has clarified that some of the Electricity Market Reform (EMR) secondary legislation refers to the BSC's Settlement timetable and will therefore need to be amended by the Department for Business, Energy and Industrial Strategy (BEIS). ELEXON will continue contact with LCCC as things progress.

6.2 ELEXON noted that it has held a further meeting with Ofgem at which it shared the security principles it is using for its [Foundation Programme](#) work. Ofgem advised the DWG that it is continuing to flesh out the questions around architecture for its Request for Information (RFI).

6.3 ELEXON noted that the Performance Assurance Board (PAB) has formally [written](#) to the DWG, confirming the matters discussed at DWG17.

7. Summary and next steps

7.1 ELEXON confirmed that the next steps are as follows:

- ELEXON to update the draft consultation document and questions with the DWG's comments, and circulate to DWG members by 29 May 2019
- DWG members to provide any final comments to ELEXON by 4 June 2019 (the day of the Design Advisory Board meeting at which the document will also be discussed)
- ELEXON to issue the consultation on 7 June 2019 (with an article in Newscast on 10 June), with responses requested by 08:00 on 8 July 2019.

Actions 18/03, 18/04 & 18/05

7.2 The next DWG meeting will be on Wednesday 17 July 2019, where the responses to the consultation will be discussed and reviewed.

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ACTIONS UPDATE

Actions on ELEXON:

12/01 – ELEXON to establish with Ofgem who the relevant policy makers are regarding the security implications of a single HH data hub, arrange the necessary discussions and consider speaking to the Information Commissioner and the SEC's Security Sub-committee to establish the right contacts – Closed – ELEXON met with Ofgem on 17 May 2019 and shared the security principles it is using for its [Foundation Programme](#) work.

16/02 – ELEXON to discuss further with Paul Saker / Andy Jones whether creating additional Load Shape Categories (e.g. Economy 7) would resolve the tariff concerns created by removing Standard Settlement Configurations. ELEXON to revisit this with the DWG once it has Ofgem's policy decision on Data Access / Privacy – Open – Due date updated to DWG19.

16/03 – ELEXON to meet with the Low Carbon Contracts Company (LCCC) about its consultation response, to understand further any consequential impact of the TOM on the Electricity Market Reform (EMR) arrangements – Closed – ELEXON and Ofgem met with LCCC on 7 May 2019. The LCCC has clarified that some of the EMR secondary legislation refers to the BSC's Settlement timetable and will therefore need to be amended by BEIS. ELEXON will continue contact with LCCC as things progress.

17/01 – ELEXON to include in the transition consultation document an explanation of the differences between the DWG's and Ofgem's deliverables, as well as a copy of Ofgem's launch statement diagram showing the SCR milestones/timeline – Closed – Included in the draft consultation document circulated for DWG18.

17/02 - ELEXON to set out in the transition consultation document how the two possible smart Meter paths to the TOM diverge (i.e. with and without use of the elective HHS process as an interim step). ELEXON to also include a consultation question on whether it is feasible to use the elective HHS process to migrate large amounts of customers to HHS as an interim step in the transition process – Closed – Included in the draft consultation document circulated for DWG18.

17/05 - ELEXON to include a plain English explanation within the transition consultation document of the different types of 'actual' and 'estimated' reads under the TOM – Closed – Included in the draft consultation document circulated for DWG18.

17/06 – ELEXON to add a requirement to the transition consultation document that the BSC Central Settlement Services should not process any data received after RF unless it forms part of an authorised Trading Dispute – Closed – Included in the draft consultation document circulated for DWG18.

17/07 – ELEXON to bring suggested transition content for the RAID log to DWG18 – Closed – Included in the draft consultation document circulated for DWG18. See item 5 above.

18/01 – ELEXON to meet with St Clements to discuss the Registration Service interactions between Faster Switching and the TOM, noting that the DWG assumes that Faster Switching (including the new Central Switching Service) will be implemented before the TOM – Open.

18/02 – ELEXON and Ofgem to discuss the inclusion of the overall SCR timeline in the transition consultation document – Open.

18/03 – ELEXON to update the transition consultation document and questions with the DWG's comments and circulate to DWG members by 29 May 2019 – Closed – Circulated by email on 29 May.

18/05 – ELEXON to issue the transition consultation on 7 June 2019 – Open.

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Actions on other members:

11/02 – Ofgem and ELEXON to discuss what further guidance the RFI may need to include on architecture and service provision – Closed – ELEXON and Ofgem met on 11 October 2018 and 17 May 2019. Ofgem is continuing to flesh out the questions around architecture for its RFI.

17/03 – DWG members to review the work stream outputs further outside the meeting (especially the dependencies and whether any milestones are missing) and provide any comments in time for DWG18 - Closed – Comments received in advance of the meeting from a DWG member and Ofgem.

17/04 – DWG members to bring thoughts on any specific transition consultation questions to DWG18 – Closed – Discussed at DWG18. See item 4 above.

18/04 – DWG members to provide any final comments to ELEXON on the transition consultation document by 4 June 2019 – Open.