

ELEXON's Foundation Programme

SVG Presentation

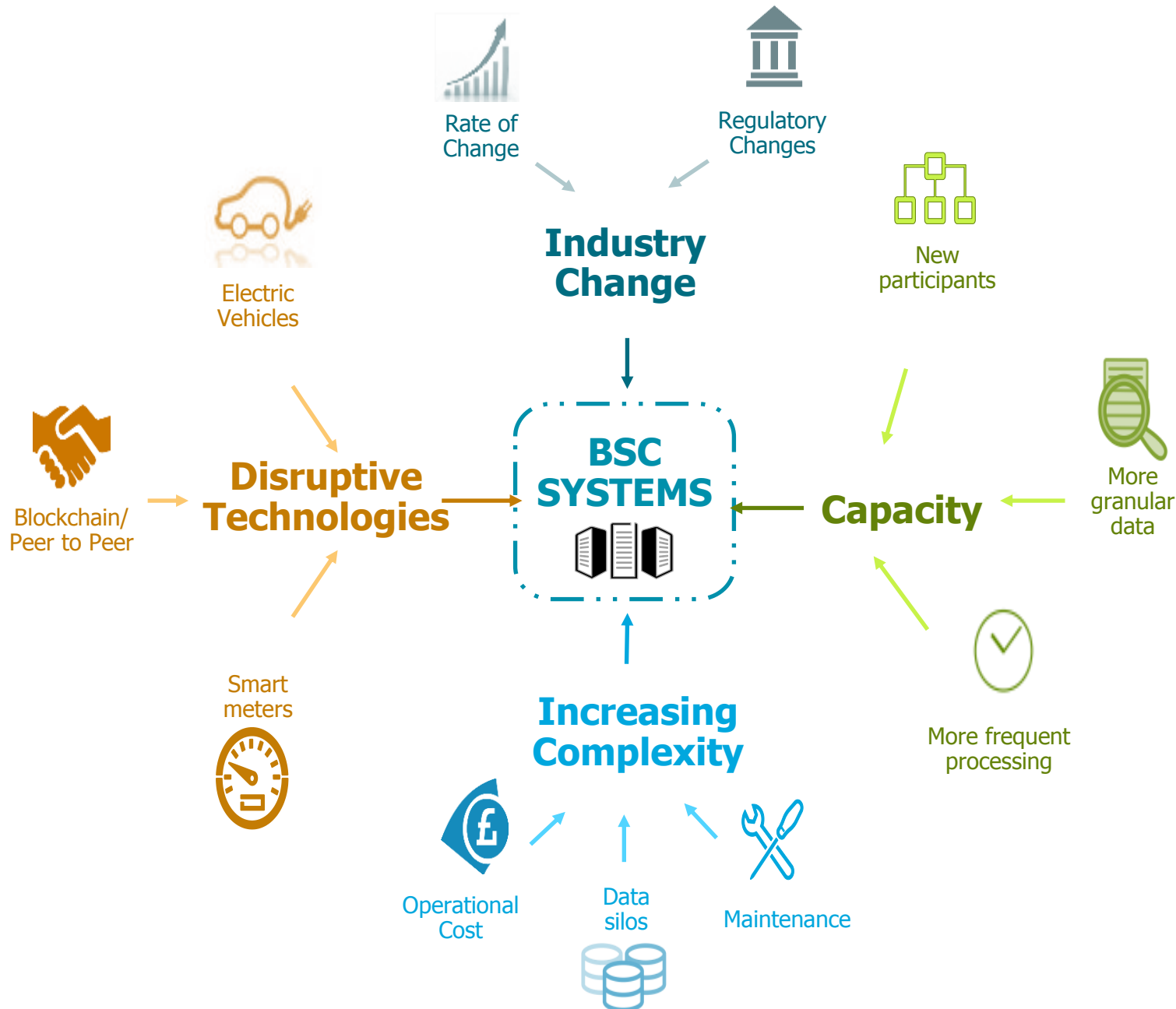
3 July 2018
Shahid Ibrahim & Clive Kelman

ELEXON

Agenda

- Programme Context
- Plan
- Architecture
- Stakeholder engagement
- Milestones

The market context and change drivers

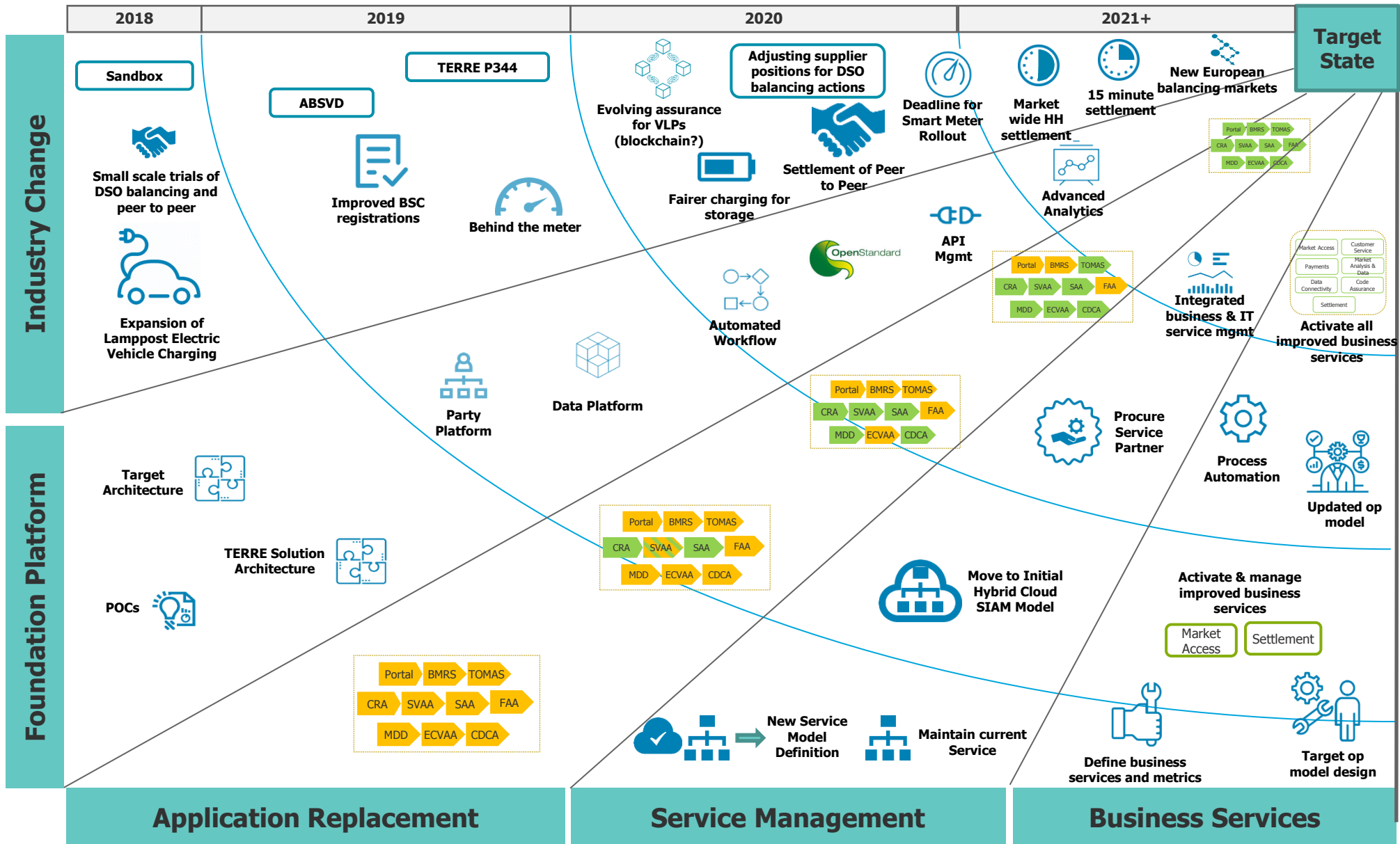


The energy market is seeing an increasing pace and types of change.

We want to ensure we continue to respond to industry needs as the administrator and operator of the BSC and adapt our services to meet the future needs of our customers

We must enable and not constrain innovation.

The Change Roadmap



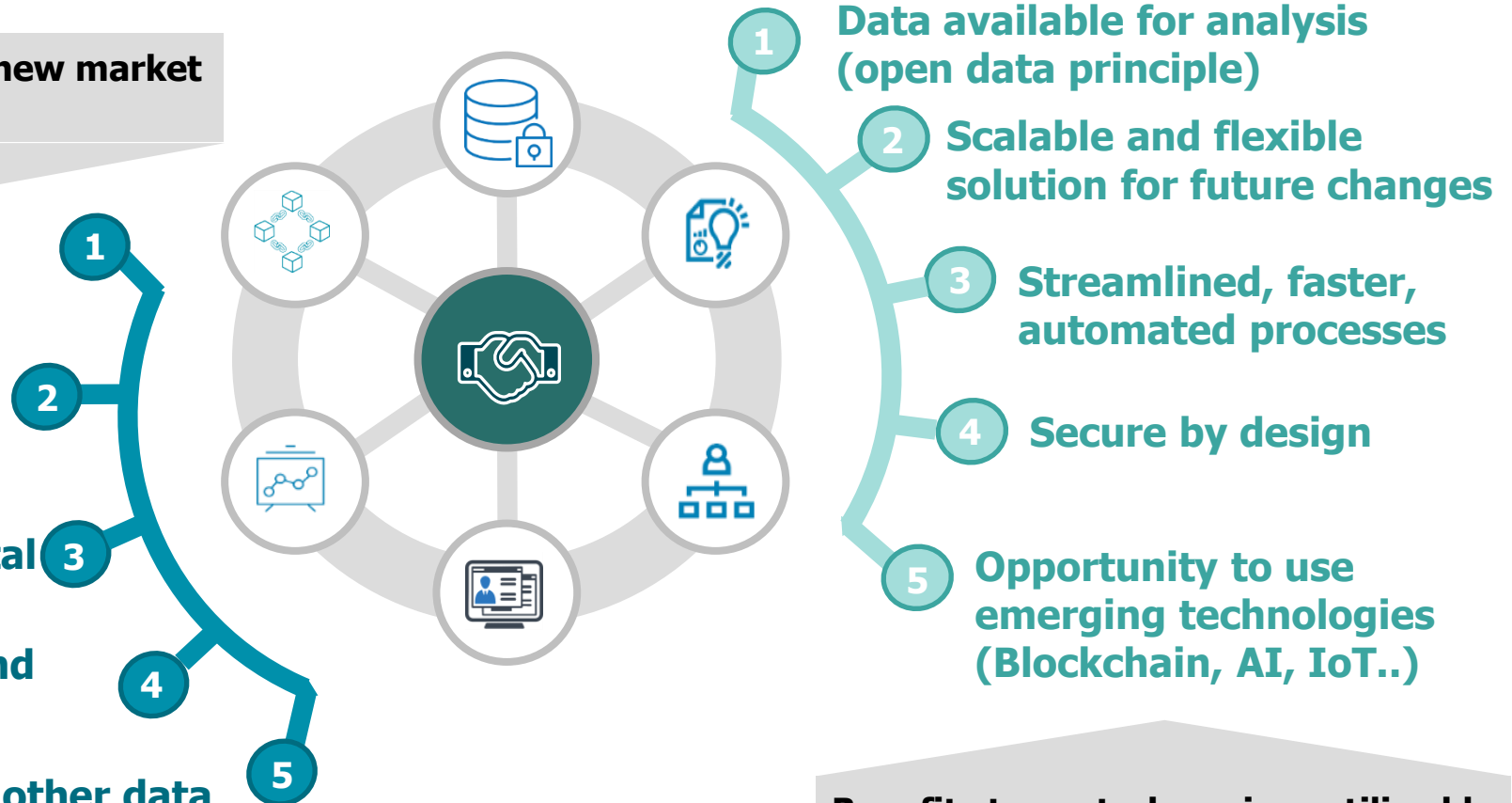
Digitising ELEXON's technology platform

Industry's fragmented systems with data in silos, using old technology, slow to change.

ELEXON's Foundation Programme to re-architect our central systems, to deliver a scalable, flexible and efficient platform to provide settlement and other value-added services to the market, with accessible data.

Benefits to existing and new market participants

- 1 Improved customer experience
- 2 Faster, digital registration
- 3 Unified customer portal
- 4 Real-time analytics and insight
- 5 Easy integration with other data sources through APIs



Benefits to central services utilised by all market participants

What are we aiming for?

- To streamline our ways of working and modernise our processes and systems in a way that will create a stable, flexible base for the future – our target architecture
- To be more agile and adapt to change incrementally and more quickly – whilst retaining appropriate control and discipline.
- A key part of this will be a data platform, which will use standard components to receive, process and publish data. We will also reduce the number of complex manual processes that we have to deal with every day.
- By using modern technologies such as 'the cloud', we will be able to access the underlying services that our IT systems need quickly and cost efficiently. Scaling 'on demand' to upcoming market changes
- We won't be replacing everything all in one go; instead, what we will do is make the changes on an incremental basis based on planned industry change, so we are confident in the solutions and the way we are going and we are minimising risk.

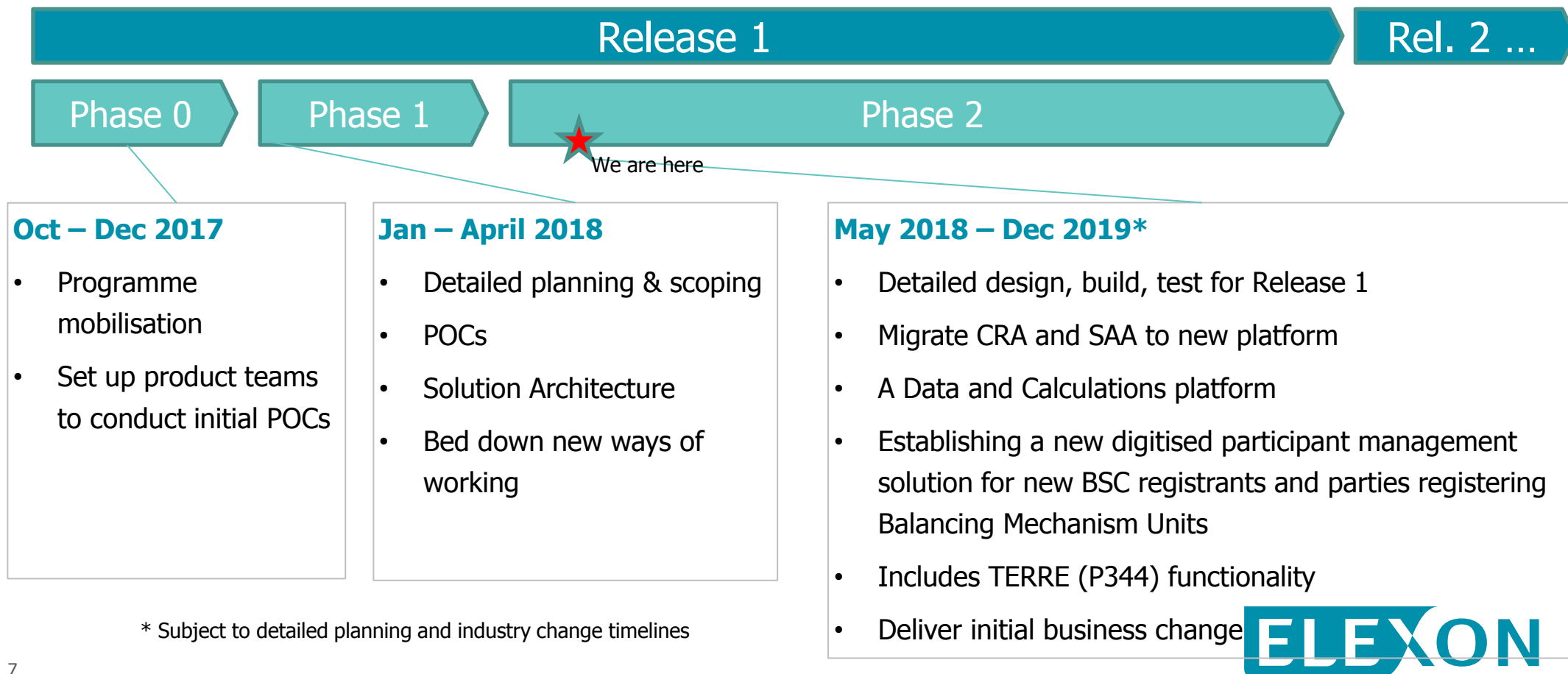
Programme Phasing and Plan

What have we done so far?

Phase 1 is complete and delivered a Solution Architecture, which was informed by Proof Of Concepts

What's happening now?

- We are in Phase 2, the implementation phase. We are mobilising the programme team comprising of ELEXON and our implementation partners.
- Communication and engagement with the industry is being kicked off





Architecture

The foundation platform

ELEXON

Foundation Programme Architecture Paradigms



1

ELEXON will architect and **procure business services** to deliver its industry obligations



2

ELEXON's solutions will meet business needs by **composing reusable services** rather than by directly encoding fixed procedures



3

ELEXON will move to implementing and **using modular solutions**, rather than monolithic solutions



4

ELEXON's solutions will **leverage virtual infrastructure** rather than physical (ELEXON owned) infrastructure



5

ELEXON will **adopt agile** and more flexible ways of delivering change and will incrementally build required capabilities

Building a flexible, easy to change platform

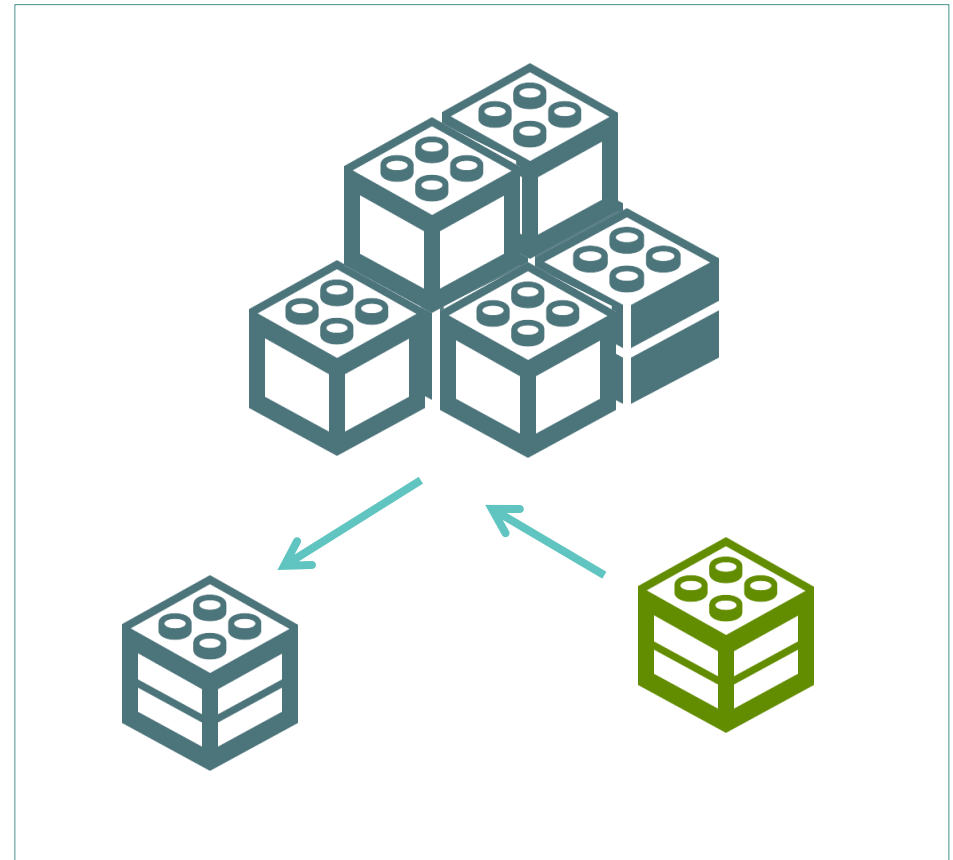
Current State

Current systems were built to directly encode fixed BSC procedures

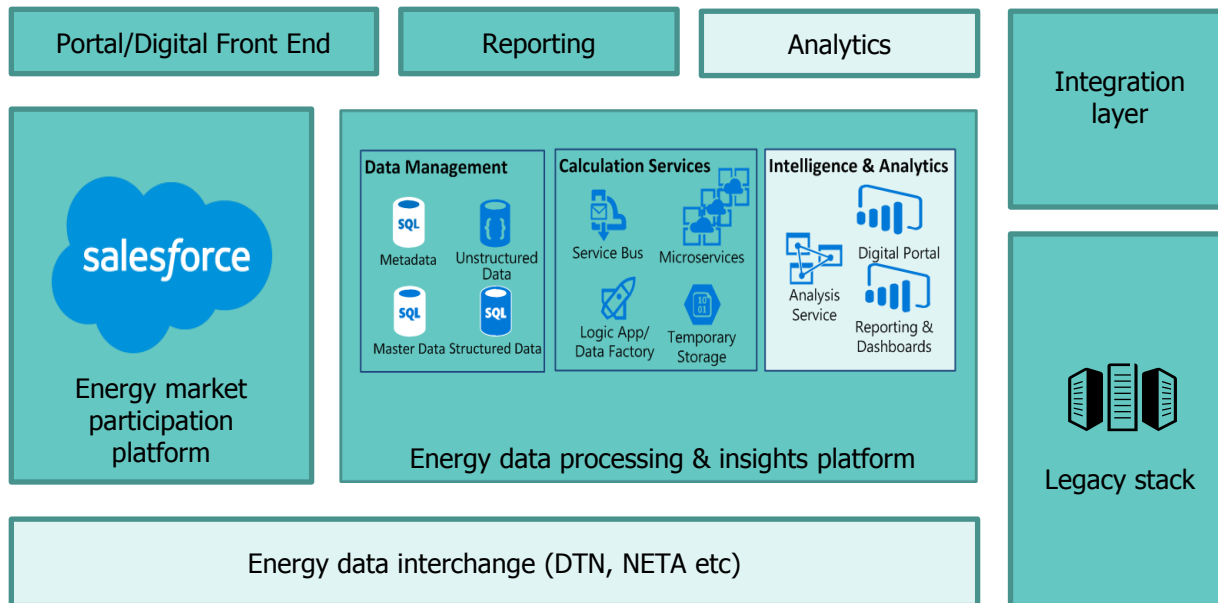




Future State

Services are composed from reusable modules and a new version can be added where needed



Release 1 will be a hybrid solution that delivers TERRE whilst providing additional value through new technologies



-  Affected by Release 1
-  Not affected by Release 1

| | |
|------------------|---|
| Scope to deliver | <ul style="list-style-type: none"> Enable faster changes to Agent services Deliver TERRE Deliver SAA on new Cloud platform Deliver Participant Management on new Cloud platform Deliver stable Hybrid Architecture Deliver the associated business change Enable agile and flexible delivery model |
| Value added | <ul style="list-style-type: none"> ✓ Elastic scalability of calculation services ✓ Drive more valuable insights for our customers |



Stakeholder Engagement

Stakeholder engagement

- We recognise that stakeholder engagement is critical to the success of the programme
- Under our stakeholder engagement approach and plan we will:
 - Work closely with Parties across the industry to help shape and identify processes and code changes for the benefit of Parties and industry
 - Work with Parties and Party Agents to test industry changes, like TERRE and Party Management, on the new platform
 - Engage regularly via our established communication channels like Newscast, the ELEXON website, Circulars, our OSMs, Working Groups, Executive engagement and other face-to-face meetings
 - Engage with the industry through various existing industry Forums like, the forthcoming NG IS Change Forum on 4 July to share details of the programme



Milestones

Key milestones

| Date | Milestone |
|---------------------------|---|
| Apr 2018 | Panel agreement to commence TERRE received |
| May 2018 | ELEXON Board approval to commence Foundation Programme Phase 2 received |
| May 2018 | Supplier mobilisation, environment setup, design & development started |
| Jul 2018 | Formal Ofgem approval anticipated for TERRE |
| Dec 2018 | Release consultation complete (e.g. Code Subsidiary Documents) |
| Feb 2019 [Release] | Party Registration for TERRE go-live starts |
| Aug – Sep 2019* | Central TERRE parallel run across Europe starts and ends |
| Oct 2019* | EU TERRE Go live window starts |
| Nov 2019 [Release] | Data & Calculations platform and remaining legacy systems for Release 1 go-live |
| Dec 2019 | TERRE Legal deadline |
| 2021 | Migration of all legacy system completed |



*Based on current European central TERRE timetable as of 19 March 2018

