

PUBLIC

Response to consultation on EMR data flows



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RESPONSE TO CONSULTATION ON EMR DATA FLOWS

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RESPONSE TO CONSULTATION ON EMR DATA FLOWS

INTRODUCTION

1. Background

As part of the implementation of Electricity Market Reform (EMR) ELEXON is procuring an IT provider to build, host and operate an IT system ('the EMR Settlement System') that will calculate and invoice CM and CFD payments. On 11 February 2014 ELEXON issued a [consultation document](#) requesting views on the mechanisms this IT system should support for exchanging data with market participants.

We received twenty-three responses to the consultation, from a range of stakeholders:

- Ten responses were from vertically-integrated companies that have supply licenses, but also expect to participate in the EMR arrangements as CFD generators and/or capacity providers;
- Four responses were from suppliers who did not indicate any intention to participate in the EMR arrangements as CFD generators and/or capacity providers;
- One response was from a generator (with no associated supply business) intending to participate in the EMR arrangements as a CFD generator. This was the only response to state that it should be treated as confidential;
- Three responses were from Half Hour Data Aggregators (who will potentially be required to provide data to the EMR Settlement System);
- One response was from Electralink, the operator of the Data Transfer Network (DTN); and
- Four responses were from trade associations: Energy UK on behalf of a broad range of electricity suppliers and potential EMR participants; the Industrial and Commercial Shippers and Suppliers (ICoSS) group on behalf of major non-domestic electricity and gas suppliers; the Renewable Energy Association on behalf of potential CFD generators and capacity providers; and the UK Demand Response Association on behalf of potential DSR capacity providers.

We provided DECC with the full text of all the responses received. All of the non-confidential responses are published alongside this conclusions document.

ELEXON has reviewed all of the consultation responses and provided a report to the CfD Counterparty set up team (the 'CfD Counterparty' for the purposes of this document), outlining the collective response to each question and a subsequent proposed IT approach.

2. ELEXON's proposal to the CfD Counterparty

Based on the responses received, ELEXON proposed the following course of action to the CfD Counterparty:

- We propose to give Suppliers, generators and capacity providers the choice of receiving reports via option 1 (email) or option 3 (existing Data Transfer Network).
- Half Hourly Data Aggregators (who are required to provide metering data to the EMR Settlement Services Provider) should be required to do so via the DTN.

Although we may incur some additional costs in integrating the EMR Settlement System with two separate mechanisms for distributing reports and invoices, we believe that these will be significantly outweighed by the benefits to market participants (and hence, ultimately, to consumers):

- By allowing Suppliers and other existing users of the DTN to receive EMR reports via this existing mechanism, we will avoid the cost of each individual market participant having to integrate their systems with a new email-based solution. Even if the cost per market participant was relatively low, the total saving across all market participants will outweigh any additional central costs.

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- The option of using the DTN will also be open to generators and capacity providers who are not currently DTN users. However, the consultation responses suggest that not all market participants will wish to use this option. Option 1 (email-based flows) will cater for these market participants, and ensure that we can meet our obligations to send invoices and billing statements to all CFD generators and capacity providers (including those who have not signed up to the Data Transfer Services Agreement).

The CfD Counterparty has endorsed ELEXON's proposal. The detail of the proposal is included in the following report.

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RECOMMENDATION TO DECC ON MECHANISMS FOR PARTIES TO EXCHANGE DATA WITH THE EMR SETTLEMENT SYSTEM

3. Executive summary and recommendations

- 3.1 The consultation document sought views on three possible options for exchanging data between the EMR Settlement system, market participants and data providers.

Option 1 – use of email to distribute EMR data

- 3.2 The first option proposed was for the EMR Settlement System to email invoices and reports (as file attachments in both human-readable and machine-readable formats) to those participants who wished to receive data in this way. As discussed in section 5 below, this option was generally supported by small CFD Generators and capacity providers (and their trade associations). It was not supported by Suppliers and vertically-integrated companies (except, in some cases, as a temporary or backup solution).
- 3.3 Because it is supported by small participants we recommend that the EMR Settlement System should support option 1 for those participants who require it. However, the responses from the Renewable Energy Association and another market participant identified a possible variant on how to implement this. Rather than include invoices and associated backing data as attachments to an email, they could be accessed via a web portal or similar, with the email merely providing a brief notification that new data is available. We believe this option has some advantages, but we will need to explore it further with our appointed service provider.

RECOMMENDATION 1 – Option 1 (i.e. distribution of data by email) should be supported for those participants who wish to use it, and ELEXON should explore further with its appointed service provider how best to achieve this (taking into account the consultation responses received).

- 3.4 As discussed in section 6 below, the consultation document also asked for views on what file formats should be used when sending data via email, and proposed using both machine-readable XML and human-readable PDF formats. The majority of responses were in favour of ELEXON providing data in both human-readable and machine-readable formats, and we therefore recommend doing this:

RECOMMENDATION 2 – Option 1 should make data available to market participants in both human readable and machine-readable formats.

- 3.5 Respondents' views on the detailed question what these formats should be (i.e. XML and PDF, or something else) were more mixed. Given that we intend to discuss how best to implement option 1 (in light of consultation responses) with our service provider, we propose delaying a decision on this until those discussions have taken place.

Option 2 – other potential mechanisms for sending and receiving data

- 3.6 As discussed in section 7 below, option 2 in the consultation proposed a data exchange mechanism that is more sophisticated and capable of automation than email. This could be (for example) secure FTP, web services using SOAP, or a web portal. Although each of these possibilities had some support, the majority of respondents did not support any of them. We suspect that these options fall between two stools, being too complex for very small CFD Generators and capacity providers, but less attractive than existing industry networks for most Suppliers and vertically integrated companies. We therefore make the following recommendation:

RECOMMENDATION 3 – Option 2 in the consultation document should not be progressed as a separate option for delivering data to market participants.

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3.7 However, the following caveats should be noted with regards to this recommendation:

- As explained above (recommendation 1), we propose to investigate with our appointed service provider the suggestion (made in some of the consultation responses) of combining some web portal functionality into option 1 (i.e. sending an email alert when data is available, with a link to a web portal or other server where the data itself can be accessed). Potentially this means we could end up incorporating limited elements of option 2 into our implementation of option 1; and
- Despite the lack of support for secure FTP as a mechanism for market participants to receive data from the EMR Settlement System, we still intend to investigate it as a mechanism for data providers (e.g. the Counterparty Body, System Operator, price providers and metered data providers) to send data to the EMR Settlement System.

Option 3 – possible use of existing industry networks to exchange data

3.8 As discussed in section 8 below, the majority of respondents were in favour of HHDAs using the existing Data Transfer Network (DTN) to meet their proposed obligation to send metered data to the EMR Settlement System. We therefore make the following recommendations:

RECOMMENDATION 4 - The DTN should be used by HHDAs to send data to the EMR Settlement System.

RECOMMENDATION 5 – DECC should request Electralink to progress drafting changes to the Data Transfer Service Agreement (DTSA) required to allow the EMR Settlement Services Provider to access the DTN.

RECOMMENDATION 6 - ELEXON should work with Electralink (who provides the DTN) to understand the most appropriate gateway option for the EMR Settlement Services Provider to access the DTN (taking into account the anticipated volumes and transmission schedule of data flows).

3.9 Additionally, as discussed in section 9 below, the majority of Suppliers and vertically-integrated companies were also in favour of having the option to receive files over an existing industry network (i.e. the DTN or the CVA network). We therefore recommend:

RECOMMENDATION 7 - Distribution of invoices and reports over the DTN should be supported for those market participants who wish to use it, subject to resolution of the possible MRA governance issues described in section 12 below.

3.10 Note that an MRA Party will be required to raise DTC changes under MRA governance. We do not expect the detailed structure of required data flows to become clear until DECC announces the results of its consultation on implementation of EMR, which is expected to happen in June. This provides a window of opportunity for ELEXON to discuss potential MRA and DTC changes with MRA Parties and Genserv (administrator of the MRA).

3.11 Other implications of recommendation 7 are as follows:

- Integrating with the DTN will have some impact on the IT system we are procuring, as it will need to produce files in a format supported by the DTN. The impact of this is likely to be mitigated if the DTS User Group agrees to support XML formats (removing the need for the system to support legacy file formats). We therefore propose to discuss the question of physical file formats with Electralink and our appointed service provider during the design phase of the new system (expected to be May-June this year).
- It will increase the volume of data files flowing through the EMR Settlement Services Provider's DTN gateway. We will need to take this into account when discussing gateway options with Electralink (see recommendation 6).

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- In order for option 3 to be available to CFD generators and capacity providers (as well as Suppliers), the DTSA would need to recognise them as DTS users. We suggest that DECC ask Electralink to include this change when drafting the amendments referred to in recommendation 5.

4. Summary of responses received

- We received twenty-three responses to the consultation as follows:
- Ten responses were from vertically-integrated companies that have supply licenses, but also expect to participate in the EMR arrangements as CFD generators and/or capacity providers;
- Four responses were from suppliers who did not indicate any intention to participate in the EMR arrangements as CFD generators and/or capacity providers;
- One response was from a generator (with no associated supply business) intending to participate in the EMR arrangements as a CFD generator. This was the only response to state that it should be treated as confidential;
- Three responses were from Half Hour Data Aggregators (who will potentially be required to provide data to the EMR Settlement System);
- One response was from Electralink, the operator of the Data Transfer Network (DTN); and
- Four responses were from trade associations: Energy UK on behalf of a broad range of electricity suppliers and potential EMR participants; the Industrial and Commercial Shippers and Suppliers (ICoSS) group on behalf of major non-domestic electricity and gas suppliers; the Renewable Energy Association on behalf of potential CFD generators and capacity providers; and the UK Demand Response Association on behalf of potential DSR capacity providers.

4.1 We have provided DECC with the full text of all the responses received. All of the non-confidential consultation responses are published alongside this response document.

5. Responses to 1.1 and 1.2 (use of email to distribute EMR data)

5.1 The first potential option discussed in the consultation document was for the EMR Settlement System to email invoices and reports (as file attachments in both human-readable and machine-readable formats) to those participants who wished to receive data in this way. The consultation document acknowledged the potential lack of security with this option, but suggested it might be attractive to smaller participants who do not intend to build sophisticated IT systems for EMR settlement purposes, or to larger participants as a temporary workaround until better systems are in place. The consultation asked the following general questions on this option:

1.1	Do you agree that sending and receiving electronic data files as email attachments is an appropriate mechanism for parties who wish to minimise their investment in IT systems? If not, what alternative would you propose?
1.2	Would you be likely to use this mechanism yourself? If so, would you see this as a permanent solution, or a temporary workaround?

5.2 None of the Suppliers or vertically-integrated companies who responded to the consultation favoured the use of email as an enduring solution. However, the detail of their responses revealed a variety of views:

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- At one extreme, one respondent indicated that they would not receive reports via email even on a temporary basis, and suggested that no-one else should be allowed to either. Those generators or capacity providers who lacked the IT systems to receive reports via a more automated method should (the response suggested) use an existing market participant (i.e. a supplier/PPA offtaker) as their agent. This would avoid the cost of developing an email-based solution, and ensure that delays in processing emails do not delay the settlement timetable.
- At the other extreme, two responses agreed that email was an appropriate solution for other participants who wished to minimise investment in IT systems, and also indicated that they would be willing to use this solution themselves, either as a workaround until more enduring arrangements were in place, or as a backup solution.
- In between these extremes a variety of other views were expressed. For example, one stakeholder was happy for others to use this solution, but would not use it themselves.

5.3 Responses from small generators and capacity providers (and their trade associations) were generally more in favour of this means of report distribution, albeit with reservations in some cases. For example:

- One respondent stated that they support this option, and that potentially some of their members may wish to use it on a permanent basis.
- Another response agreed that *"this is an appropriate mechanism for those wishing to minimise IT investment costs and manage their CfD or CM contracts in a straight forward way, therefore especially welcome for small scale parties"*. However, the response also identified a slightly different way of implementing this, using *"a combination of email alerts and web-based data, combining the best of both worlds of active notification of parties and a secure data storage system not requiring detailed expertise or familiarity with existing BSC/Elexon processes that only larger players will have"*.

5.4 From ELEXON's viewpoint, one of the advantages of the email option is that it allows the EMR service provider to meet its obligations to send invoices and reports, even where the recipient has not built IT systems capable of interfacing with the EMR Settlement System. If we did not support an option of this type we could find ourselves unable to meet our obligations (in the absence of any mechanism for requiring CFD generators and capacity providers to build IT systems). For this reason, and because it is generally favoured by small participants, we recommend that distribution of invoices and reports by email (i.e. option 1 in the consultation document) should be supported for those participants who wish to use it.

5.5 We believe that the variant described above (in which the email merely provides a brief notification that new data is available, and points the recipient to a web portal or other server to access it) has some advantages e.g. it potentially retains the simplicity of email for the recipient, while addressing some of the security concerns. However, we will not be able to assess the implications of this option until we have appointed a service provider, and we therefore recommend that ELEXON explores how best to implement option 1 with its appointed service provider during the design phase (May-June 2014).

6. Responses to 1.3 and 1.4 (file formats for data distributed by email)

6.1 Questions 1.3 and 1.4 in the consultation related to the file formats used for data distributed by email:

1.3	Do you agree that XML is an appropriate open standard to use for the data files attached to these emails? If not, what alternative would you propose?
1.4	Do you agree with our proposal that the settlement systems should also attach human-readable versions of each file (in PDF format) to outgoing emails?

6.2 Responses to question 1.4 were generally in favour of providing data in both human and machine-readable formats, and we therefore recommend this. However, responses to question 1.3 were mixed:

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- A number of Supplier responses did not support use of XML, because they preferred to receive data files over existing industry networks, in the existing legacy file formats those networks support.
- One response suggested that “*smaller generators may not be capable of interpreting XML files and may resent having to invest in software to interpret the files, they would probably prefer a CSV format as it is straightforward to interrogate in Excel*”. Another response also favoured CSV for similar reasons.
- Conversely, other responses thought that XML would be suitable. For example, a response stated “*XML provides flexibility to the user, in terms of being able to manipulate the data for use by internal systems*”.

6.3 The choice of which file formats to use for reports is an important one. In light of the mixed responses received, we propose to discuss this further with market participants and with our appointed service provider.

7. Responses to 2.1 and 2.2 (other mechanisms to distribute EMR data)

7.1 Questions 2.1 and 2.2 related to more automated solutions for exchanging data files, such as secure FTP, web services using SOAP, or a web portal:

2.1	What do you see as the pros and cons of the options outlined above? Which option(s) do you see as most appropriate?
2.2	Are there any other options that we should be considering?

- Responses to question 2.1 were mixed, but the majority of responses did not favour this type of option. Many of the responses from Suppliers and vertically-integrated companies questioned the benefit of investing in a new data transfer mechanism when existing industry networks were already available. For example:
- One response stated “*the three options outlined (Secure FTP, web services, web portal) would all incur development costs and participants would have to learn to use a new system. For these reasons, we support the utilisation of existing industry systems namely the DTS to which the majority of parties who will interact with the EMR systems are already connected as opposed to any of the options highlighted.*”
- Another response stated “*this would appear to be an expensive solution to pursue for little apparent benefit*”.

7.2 Responses from smaller market participants were also not supportive of these options:

- One response was “no comment”.
- Another response favoured the variant on option 1 described in section 5 above.

7.3 In light of these responses we do not recommend progression of option 2.

8. Responses to 3.1 (use of DTS by HHDAs)

8.1 Option 3 in the consultation document related to possible use of existing industry networks (such as the DTN or CVA network) for exchanging data. Question 3.1 focused on one specific example of this i.e. submission of metered data for a CM Unit by HHDAs:

3.1	Do you agree that the DTN is the appropriate mechanism for HHDAs to provide data to the settlement systems (provided that the obligation to do so is in the BSC)?
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8.2 The majority of Supplier and vertically-integrated company responses that expressed a view on this question were in favour. For example:

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- One response stated “we would expect any interaction between HHDC or HHDA agents and 3rd parties to be via the DTN, and so would support the option to communicate via this method”.
 - Another response stated “we agree strongly with this option”.
 - Another response stated “Yes, it makes no sense to force HHDA to introduce a new and potentially largely redundant communication mechanism. DTN should be retained as suggested”.
- 8.3 There was only one dissenting view from Suppliers, which stated “Not necessarily, I think more work needs to be done in this area.”
- 8.4 Responses from HHDA were in favour of using the DTN, although one response expressed some reservations about the current lack of clarity on HHDA obligations, stating that “no consideration has yet been given to the subsequent cascading of the obligations into the supporting documentation or the appropriateness of the document this should be located within. Discussion and agreement on these points is therefore still outstanding.” These broader issues are being progressed through the industry workshop held on 26 March, and are therefore outside the scope of this consultation.
- 8.5 In summary, the majority of responses were in favour of HHDA using the DTS to provide data, as this is the mechanism they already use, and it would increase costs for them if they were forced to implement a new mechanism for this flow only. Use of the DTS is also the basis of the straw man solution discussed by DECC with Suppliers and HHDA, and of the further work carried out by the industry workshop on 26 May. We therefore recommend that the DTN should be used by HHDA to send data to the EMR Settlement System.
- 8.6 In order for HHDA to be able to use the DTS in this way, a number of other arrangements will need to be put in place:
- The new data flows will need to be added to the Data Transfer Catalogue (DTC), which is maintained under the provisions of the Master Registration Agreement (MRA). DTC changes will need to be progressed through MRA change processes. Because they relate to a BSC obligation we believe that, if necessary, BSCCo will be able to initiate this process.
 - The EMR Settlement Services Provider will require a gateway to the DTN, allowing it to receive files. There are currently a number of options for this, ranging in cost from £480 per annum for a Remote User Gateway (intended for low-volume use), through £14,800 per annum for a Low Volume Gateway to £26,000 per annum for a High Volume Gateway capable of handling much larger volumes of data. We also understand that Electralink (who provides the DTS) is currently developing new gateway options, which are likely to be available later this year. We therefore recommend that ELEXON works with Electralink to understand the most appropriate gateway option taking into account proposed new gateway options and the anticipated volumes and transmission schedule of data flows.
 - Minor drafting changes will also be required to the Data Transfer Service Agreement (DTSA) to allow the EMR Settlement Services Provider to use the DTS. Electralink’s consultation response indicates that similar changes were needed to implement the Green Deal, and these took six months to agree and implement, at a cost of approximately £60k. These changes are necessary to implement DECC’s Capacity Market metering policy, and we therefore recommend that DECC requests Electralink to initiate this work.

9. Responses to 3.2 (use of existing industry networks)

- 9.1 Question 3.2 in the consultation asked about possible use of existing industry networks (i.e. DTN and/or CVA network) to send data from the EMR Settlement System to market participants:

3.2	Do you believe it is appropriate to allow existing networks (i.e. DTN and/or CVA network) to be used for other EMR purposes (unrelated to the BSC or other existing industry codes)? Please provide your rationale.
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- 9.2 All the responses from Suppliers and vertically-integrated companies were in support of allowing use of one or both of these networks, in order to avoid the impact on existing market participants of interfacing with a new solution. For example, one response stated *"[We believe] that it would be appropriate to allow existing networks to be used for EMR purposes, as the majority of EMR parties are already connected to the DTN and the system functions reliably and securely"*.
- 9.3 The only caveat expressed in some of the Supplier responses was that the additional traffic over existing networks should not degrade their performance in meeting existing obligations. We believe that the additional volume of data will be small in comparison to current volumes, and that there is sufficient headroom available, so this should not be an issue,
- 9.4 In contrast, small generators and demand side response aggregators (who do not use these existing networks) did not express interest in doing so.
- 9.5 Responses from Suppliers were mixed on whether the DTN or CVA networks would be most appropriate, and in general they did not seem to have strong views either way (probably because they have already integrated their systems with both). Given that the EMR Settlement Services Provider will already be using the DTN to receive flows from HHDAs, we recommend that the DTS (rather than the CVA network) should be offered as an option to those market participants who want to use it. The impacts of this on the IT system ELEXON is procuring can be summarised as follows:
- It will increase the volume of data flowing through the service provider's DTN gateway, so could have an impact on which gateway option is required (although initial estimates indicate that the data volumes will be relatively low); and
 - It will require our service provider's system to produce data flows in one of the data formats supported by the DTS. Currently this would mean a legacy 'pipe-separated' or fixed-width file format. However, their consultation response indicates that Electralink is currently reviewing the DTS' support of XML for the existing Data Transfer Catalogue (DTC) flows and is planning to introduce this XML support as part of the DTS Transformation Programme, subject to DTS User Group approval. It may therefore be that XML is an alternative file format available in time for EMR Go Live. We therefore recommend that ELEXON discusses the question of physical file formats with Electralink and our appointed service provider during the design phase of the new system (expected to be May-June this year).
- 9.6 Although small generators and demand side response aggregators have not currently expressed an interest in using the DTN, we believe that the incremental cost in allowing them to do so would be minimal. As explained above, changes will be required to the DTSA to allow the EMR Services Provider to use the DTS, and the impact of additionally allowing other EMR participants to do so should be small. We therefore recommend that DECC should request Electralink to include in their DTSA amendments any changes necessary to allow CFD generators and capacity providers to sign up to the DTSA and receive EMR flows, should they wish to do so.

10. Responses to 3.3 (cost allocation)

10.1 Question 3.3 addressed the question of cost allocation:

3.3	Do you agree that the costs incurred in using networks in this way should be recovered from parties who choose to make use of this option? If so, should this apply to all such costs (including for example the costs of including appropriate functionality in the settlement systems.)? Or should it apply only to those costs directly attributable to individual data recipients (e.g. DTN data transfer charges)?
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- 10.2 Responses from Suppliers and vertically-integrated companies were fairly evenly split. Some responses disagreed with the principle of allocating costs to specific users, and stated that costs should be socialised across Suppliers. For example, one response stated that in their view “*costs associated to new flows should be recovered from all parties, in a similar manner to how the existing DTSA arrangements ... any costs associated with the development of new functionality in settlement systems will be paid for via the DECC grant.*” Other responses were in favour of users of the DTN funding all associated costs or ongoing data transfer charges only.
- 10.3 In between these two extremes there were a number of responses that supported cost-reflective charging as a general principle, but had doubts about its application in this case:
- Several responses suggested that it would be inconsistent to adopt a ‘user pays’ principle to up-front development costs associated with use of the DTN, but not to other elements of the EMR Settlement System.
 - Several responses cautioned against putting in place mechanisms for allocating costs that were disproportionately expensive to operate (compared to the size of the costs being allocated). We have estimated (based on the ‘straw man’ data flow designs presented to industry last year) that the data transfer charges incurred by the EMR Settlement Services Provider could be as little as £50 per recipient per annum.
- 10.4 We believe these arguments have some merit. We also believe the consultation responses indicate that the great majority of Suppliers will wish to use the DTN to receive data flows, and this weakens the argument for putting in place specific charging mechanisms. We therefore recommend that no new charging mechanisms are required:
- Development costs associated with use of the DTN should be treated in the same way as other costs involved in setting up the service (i.e. funded through the grant); and
 - Any data transfer charges or other ongoing operational costs incurred by the EMR Settlement Services Provider should be recovered in the same way as other operational costs (i.e. through the operational levy).

11. Responses to 3.4 (governance changes)

11.1 Question 3.4 asked about governance changes required to support use of the DTS for EMR purposes:

3.4	What changes would be needed to existing codes or Licenses to allow the DTN and/or CVA network to be used in this way?
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- 11.2 A number of the responses identified the drafting changes that would be required to the DTSA in order to allow the EMR Settlement Services Provider (and potentially other EMR participants) to use the DTSA. This is discussed in section 9 above (and recommendation 5 in the summary section). No other governance changes related to use of data flows were identified (although we still believe there are potential MRA governance issues, as discussed in section 10 below).
- 11.3 One response suggested that changes code be made to industry codes to align the definitions of metering-related entities e.g. further align the definition of BM Unit and CMU. We intend to discuss this with the respondent, but do not believe it is directly relevant to the question of how to distribute data flows.

12. Possible MRA governance issues with use of DTC for EMR

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12.1 Although the respondents to question 3.4 did not identify any required MRA changes, it should be noted that currently the MRA only allows MRA Parties to propose (and vote on) changes to DTC flows. The implications of this are as follows:

- The DTC Change Proposals to add EMR-related flows into the DTC would need to be proposed by an MRA Party (i.e. a Supplier or Distributor), and voted on by MRA Parties.
- Any subsequent changes to these data flows (e.g. arising from a change to the Capacity Market Rulebook) would also need to be proposed by an MRA Party, and voted on by MRA Parties. In a worst case scenario (if MRA Parties did not progress changes necessary to keep the DTC flows consistent with EMR requirements) the EMR Settlement Services Provider might be unable to continue using the DTN, and all parties would have to fall back to receiving data flows through another mechanism.
- Other parties with an interest in EMR data flows would not be able to propose or vote on changes to the EMR data flows. They could ask MRA Parties to discuss potential changes to data flows; but progression of any change into the MRA change process would be dependent on an MRA Party agreeing to sponsor it.
- For the CFD Counterparty Body and Electricity Settlements Company, this means that their agent (the EMR Settlement Services Provider) would be using DTC data flows to distribute reports and invoices; but neither they nor their agent would have the right to propose changes to these flows. And conversely, neither they nor their agent would be able to prevent MRA Parties changing the EMR data flow definitions. However, the CFD Counterparty Body and/or Electricity Settlements Company would presumably retain the 'nuclear option' of instructing their agent to stop using the DTN, which should incentivise Suppliers to ensure that EMR data flows were kept consistent with EMR requirements.
- Any independent generators or capacity provider who chose to receive reports and invoices via the DTN might also feel that they were at a disadvantage compared to Suppliers, in that they could not propose changes to EMR-related DTC flows.

12.2 These issues do not necessarily prevent the DTN from being used for EMR purposes. Very similar issues arise under the Green Deal, where Green Deal Providers and Green Deal Remittance Processor are obliged to use DTC data flows that only MRA Parties can change, and we understand that this is regarded as acceptable.

12.3 If DECC did not find the current arrangements acceptable for EMR purposes there are other options that could be investigated, but these are likely to be complex:

- Changes could be made to the MRA (either by MRA Parties, or directed by the Secretary of State) to allow EMR parties (potentially including the CFD Counterparty Body, Electricity Settlements Company and/or independent generators and capacity providers) to propose and/or vote on EMR-related DTC changes. This would be a significant change to the current MRA (in which limited classes of Parties have these rights), and could open up broader questions about MRA funding and governance;
- Alternatively, arrangements could be made for EMR data flows to be defined somewhere other than the MRA DTC. There are potential precedents for this, as Electralink does currently use the DTN to deliver data transfer services outside the scope of the Data Transfer Service (DTS). The following table summarises these two types of existing DTN service:

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	Data Transfer Service	Other Existing Services
Commercial agreement for use of service:	Data Transfer Service Agreement (DTSA)	Other bilateral or multilateral agreement
Catalogue used to define data flows:	Data Transfer Catalogue (maintained under MRA governance)	Other data flow catalogue maintained by Electralink
Network used to deliver the service:	Data Transfer Network	

12.4 However, defining flows outside the MRA DTC would mean that the data transfer services provided by Electralink for EMR purposes would fall wholly or partially outside the DTSA, requiring the negotiation of new commercial arrangements with Electralink.