

# CHRISCONSULTATION ON THE DWG'S TARGET OPERATING MODEL FOR MARKET-WIDE HALF HOURLY SETTLEMENT

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## CONSULTATION RESPONSE TEMPLATE

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Respondent Information		
Name of Respondent	Chris Welby	
Name of Company	Bristol Energy	
Type of Company	Supplier	
Contact Details	<a href="mailto:Chris.welby@bristol-energy.co.uk">Chris.welby@bristol-energy.co.uk</a>	Phone
Confidential Y/N	N	

Please email your response to [dwgsecretary@elexon.co.uk](mailto:dwgsecretary@elexon.co.uk) by 5pm on Friday 15 March 2019, using the subject line 'DWG TOM consultation response'.

Please use this Word response form where possible, to make it easier for the DWG to identify and summarise views. To help the DWG understand your response, please provide supporting reasons for your answers.

**Please mark clearly if any aspect of your response is confidential.** Any information marked as confidential will not be published by ELEXON or considered by the DWG, but will be shared with Ofgem. We encourage you to provide non-confidential responses where possible to inform the DWG's discussions.

### Who can I contact with any questions?

ELEXON's MHHS team will be happy to help. Please email them at [dwgsecretary@elexon.co.uk](mailto:dwgsecretary@elexon.co.uk).

### How do I link the consultation questions to the report content?

The basis for this consultation is the DWG's report to Ofgem on its recommended TOM.

Below we show which sections of the DWG's report contain the information relevant to each consultation question.

# CHRISCONSULTATION ON THE DWG'S TARGET OPERATING ~~MODEL FOR MARKET WIDE HALF HOURLY SETTLEMENT~~

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MHHS TOM consultation

Page 3 of 6

V2.0

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## Question 1

Do you agree with the DWG's recommended TOM as a basis for delivering Market-wide Half Hourly Settlement? *Please list any elements that should be changed or improved.*

Relevant report sections: Executive Summary, Introduction, Section 2 'Scope, design approach and the future role of the Supplier', Section 5 'Overview of the DWG recommended TOM', Section 6 'Service Overview (Summary Guide)', Attachment A 'Detailed TOM Service and Data requirements'

Answer: Yes

*Most logical outcome assuming Ofgem confirms its least regret steers*

# CHRISCONSULTATION ON THE DWG'S TARGET OPERATING MODEL FOR MARKET-WIDE HALF HOURLY SETTLEMENT

Question 2	Do you agree that the DWG has identified the correct TOM, taking into account Ofgem's 'least-regrets' policy steers?
Relevant report sections: Section 1 'The Vision', Section 3 'TOM Design Principles and Strategic Objectives', Section 4 'Ofgem policy development', Attachment B 'DWG's development of the TOM'	
Answer: Yes	
<i>Please provide your reasons here</i>	

Question 3	Do you agree that the TOM captures all essential Settlement processes?
Relevant report sections: Section 5 'Overview of the DWG recommended TOM', Section 6 'Service Overview (Summary Guide)', Attachment A 'Detailed TOM Service and Data requirements'	
Answer: Yes	
Will need to consider non-essential settlement processes and other overlapping areas such as switching in the detailed design.	

Question 4	Do you agree that the DWG has identified all the required data to be processed by the three Data Services (Smart Data Service, Advanced Data Service and Unmetered Supplies Data Service)?
Relevant report sections: Section 6 'Service Overview (Summary Guide)', Attachment A 'Detailed TOM Service and Data requirements'	
Answer: No	
It may have but it is dependent on the crossovers with Ofgem Switching programme. There are also implications if Ofgem moves away from its least regret steers.	

Question 5	Do you agree that the TOM does not hinder new market entrants, technologies and innovations?
Relevant report sections: Introduction, Section 2 'Scope, design approach and the future role of the Supplier', Section 5 'Overview of the DWG recommended TOM', Section 6 'Service Overview (Summary Guide)'	
Answer: No	

# CHRISCONSULTATION ON THE DWG'S TARGET OPERATING MODEL FOR MARKET-WIDE HALF HOURLY SETTLEMENT

As far as practicable it has done so, but until the unknown innovations are known, it is not possible to state "Yes" categorically.

**Question 6** Do you agree that the DWG's reduced Settlement Timetable is appropriate and achievable in the Target End State? Please identify any constraints that you believe are relevant.

Relevant report sections: Section 8 'Settlement timetable', Attachment B 'DWG's development of the TOM'

Answer: Yes

Supportive of its caution, once up and running it should be reviewed to see if it can be reduced even further.

**Question 7** Do you agree with the DWG that participants should be able to correct Settlement Errors after the Final Reconciliation Run through Trading Disputes, and for at least 12 months after the Settlement Day (subject to an appropriate materiality threshold)?  
*Please identify the number of months and materiality threshold you believe are appropriate and why.*

Relevant report sections: Section 8 'Settlement timetable', Attachment B 'DWG's development of the TOM'

Answer: Yes

But only trading dispute raised. Parties cannot shovel new data in if a dispute run is scheduled unless approved by PAB

**Question 8** Do you agree that there are overall cost benefits to Parties from the reduced Settlement timetable? *Please identify any enduring cost implications of the proposed timescales.*

Relevant report sections: Section 8 'Settlement timetable', Attachment B 'DWG's development of the TOM'

Answer: Yes

Reduction in credit cover and greater degree of certainty of final settlement position. However, market wide HH settlement will add to costs as a supplier must now do real portfolio forecasting as it can no longer rely on standard profiles being applied. Severe weather events will also be more prominent.

**Question 9** Do you agree with the nine transition principles that the DWG intends to follow when developing its approach?

# CHRISCONSULTATION ON THE DWG'S TARGET OPERATING MODEL FOR MARKET-WIDE HALF HOURLY SETTLEMENT

Relevant report sections: Section 10 'High level development of transitional approach'

Answer: Yes

The next stage is likely to be resource intensive and question whether the current DWG approach is sensible.

**Question 10** Do you have any views on the areas of design detail for further consideration?

Relevant report section: Appendix B Areas of design detail where the DWG recommends further consideration (Page 19).

Yes

The detailed design will require some critical decisions to be made. These decisions needed to be made with the engagement of the wider industry to ensure that there are no unintended consequences from these decisions.

**Question 11** Do you have any further comments?

Answer: No

*Please provide your comments here*