

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

CONSULTATION RESPONSE FORM

Respondent information		
Your name	James Murphy	
Your company	Stark	
Type of company	Energy Data and Services	
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Confidential Y/N	N	

Please:

Email your response to dwgsecretary@elexon.co.uk by **08:00 (8am)** on **8 July 2019**, using the subject line 'DWG transition consultation response'.

Use this response form where possible to make it easier for the DWG to identify and summarise views.

Provide supporting reasons for your answers to help the DWG understand your response.

Identify clearly which, if any, aspects of your response are confidential. We will not publish any information marked as confidential, or share this with the DWG. However, Ofgem will see all responses in full. We encourage you to provide non-confidential responses where possible, to inform the DWG's discussions.

Email ELEXON's MHHS team at dwgsecretary@elexon.co.uk with any questions.

The DWG will consider your responses and deliver its final report to Ofgem during summer 2019.

Question 1	Do you agree with the DWG's proposed mapping for Metering System types to Market Segments?
Please list any elements that should amended.	
Answer: Yes	
<p>The proposed mapping of Metering Systems to Market Segments is logical and simplifies existing arrangements where markets are further segmented by settlement technique. However, as identified by the DWG there will be fringe cases and exceptions e.g. non-domestic sites in PC 01-02, which will need further consideration. Whilst we recognise the benefit in not requiring a CoMC when switching between SP-level data and register reads, they should still be distinguishable through consumption component classes. A rationalisation of Measurement Classes to make them market segment specific would also be beneficial and allow performance measures to be set according to the unique characteristics of each market segment.</p>	

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Question 2

Do you believe it is feasible to use the elective HHS process to migrate significant numbers of MPANs to HHS as an interim step in the transition process?

Please identify what changes you believe would need to be implemented to use Elective HH as an interim step and/or any issues you have noted with the current elective process which are a barrier to using it as an interim step.

Answer: Yes

The market has already done this to an extent. According to the latest Gross Supplier Market Share data, one supplier has migrated 60,000 customers to HHS on an elective basis. We would expect that as the smart meter population grows, alongside the proliferation of EVs and implementation of enabling policy (e.g. SEG), the market will naturally develop and deliver products that are underpinned by HHS. This will generate wider uptake of EHHS ahead of MHHS.

We agree that there are challenges with the existing EHHS processes, particularly around Change of Supplier when the gaining supplier has offered the customer an NHH product. However, there are published processes for these scenarios and if followed, the issues should not arise. Greater education around the EHHS processes and scenarios would help address perceived barriers.

Legacy systems and an unwillingness to invest in developing them is a greater barrier. To address this, Ofgem may wish to consider either requiring or encouraging suppliers to make any systems changes required to support EHHS. This should help in readiness for MHHS or even act as a fallback position should Ofgem's FBC not support implementation of MHHS and/or delays are experienced in the transition to the TOM.

Question 3

Do you agree with the PAF Assumptions and Principles and that all the potential impacts on the PAF have been identified?

Please identify any omissions.

Answer: Yes

We agree with the PAF Assumptions and Principles outlined by the DWG. One possible omission is the assumption that the current set of Performance Assurance Techniques (PATs) will continue to be relevant. We also broadly agree with the PAF Impact Assessment in Appendix C. The recommendations from the PAF Review will make both the PAF Procedures and PATs more flexible, allowing the PAB to either react to or pre-empt emerging risks in the transition. However, regarding Qualification, we don't see any reason why applications for old roles should continue once the new roles are available – this would bear unnecessary additional costs. Furthermore, analysis should be undertaken to determine how many Parties (suppliers) aren't HH qualified and what the associated cost/impact of that is – this would be an additional dependency in the early phases of transition.

We also make the following observations:

- SP04 could be adapted now to incentivise the early migration of CT meters to HHS
- Peer Comparison, alongside EFR, may be a useful tool during transition – both in terms of progress made and performance of migrated sites

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Question 3	Do you agree with the PAF Assumptions and Principles and that all the potential impacts on the PAF have been identified?
<ul style="list-style-type: none">• Whilst this might be difficult, particularly in a domestic setting, the scope of the TAA could be expanded to cover a SMETS sample• The audit process is now more flexible and could focus on different aspects during transition – e.g. preparedness for MHHS, progress of interface testing and maturity of migration plans	

Question 4	Do you agree with the phased approaches proposed for BSC and Registration Systems?
Please identify any issues and dependencies with the proposed approaches.	
Answer: Yes/No	
<p>The Design → Build → Test → Deploy approach is logical. However, we would expect there to be a "Procurement" phase before the "Design" phase, where Elexon run a competitive tender for the development of the new roles and their ongoing delivery. It is important that this process is supported by published business cases for the MDS, LSS and VAS, to ensure that the intended costs and benefits are transparent to industry, with sufficient opportunity to comment, and the awarded party is held accountable for delivering on time and to budget. This may also serve as a chance to re-tender existing BSC Agent roles, which were last awarded in 2007. Given the reliance of the TOM on Central Systems, further consideration should be given to a contingency plan that is incorporated into the overall transition approach.</p> <p>It would be useful to understand the detail around the timetable for the interface testing phase – who will be prioritised? Can different parties undertake testing in tandem? How will Elexon ensure co-operation? Without a separate, clear and detailed approach for this, there is a risk of delays and increased costs. The recent experience of interface testing with the DCC and between different adapter services is something that should be avoided.</p> <p>A dependency for the proposed changes to the Registration service is the mapping of responsibility and timescales for notifying or altering service appointments.</p>	

Question 5	Do you agree with the phased approach proposed for the Smart and Non-smart Market Segment?
Please identify any issues and dependencies with the proposed approach.	
Answer: Yes	
<p>The SDS should only be able to qualify under the BSC once it has the MDR function in place – this will require the MDR/SDS to become a DCC User first. Our primary concern, and correctly identified as a key dependency by the DWG, is that a new DCC User Role is created to facilitate this. This is something that could be done separately to the MHHS project to allow independent agents to offer settlement services to end customers. Whilst migration activity should be monitored by Elexon we anticipate there will be a requirement for Ofgem to set an overall deadline for transitioning to MHHS.</p>	

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Question 6 Do you agree with the phased approach proposed for the Advanced Market Segment?

Please identify any issues and dependencies with the proposed approach.

Answer: Yes

There are no barriers to the Advanced segment beginning transition now, for both CT and WC sites. This is not contingent upon the HHDC becoming an "ARP" or "ADS". Indeed, it is unclear why the HHDC would need to go through a qualification process when the roles are the same – all that is required is a legal text change and the existing HHDC qualifications can remain in place. This would reduce cost and complexity. Whilst we acknowledge that CT sites are a candidate for early migration, the transition approach should avoid encouraging the unnecessary exchange of Advanced meters at WC sites to Smart meters. This would cause significant customer disruption, increase costs and constrain resource with comparatively little benefit.

Question 7 Do you agree with the phased approach proposed for the Unmetered Market Segment?

Please identify any issues and dependencies with the proposed approach.

Answer: Yes

The use of Unmetered technologies in public EV charge-points (e.g. retro-fitted streetlights) and the thrust of government policy on charging infrastructure means that the transition for this segment could coincide with a considerable ramping up of UMS end points. As such, care must be taken to manage this transition effectively and without risk of hampering the accelerated deployment of national EV charging infrastructure. For this reason, it may be optimal to prioritise the transition of this segment, independently of Ofgem's decision on MHHS.

Question 8 Do you agree that the critical path captures all the key activities and dependencies?

Please identify any omissions, issues and dependencies with the proposed approach.

Answer: No

The diagram in Appendix B is too high level to capture all the key activities and dependencies that sit within each market segment.

Question 9 Do you agree with the DWG's proposed approach for transitioning to the revised Settlement Timetable?

Please identify any issues with the proposed approach.

Answer: Yes

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Question 9	Do you agree with the DWG's proposed approach for transitioning to the revised Settlement Timetable?
<p>Unless there is a demonstrable benefit in taking an alternative approach, that proposed by the DWG presents the least amount of risk. Transitioning to a new market Operating Model is ambitious, let alone in conjunction with a shift to a significantly reduced settlement timetable. The new Operating Model should first have a period of working to existing settlement timescales so industry can adjust to the new processes, services and interactions. Expanding on the proposal in the consultation document, trigger points could be set for each run that require average industry performance, under the new Operating Model, to exceed the current requirements for a defined period (e.g. 3 months) before reducing that run. This could start with RF and iteratively move to SF.</p>	
Question 10	Do you agree that the DWG's proposed Dispute Timetable and approach to materiality strikes an appropriate balance between shortening timescales and correcting material Settlement errors?
Please identify any issues or risks with the proposed approach.	
Answer: Yes	
<p>The proposed approach will encourage suppliers to be more proactive in resolving faults before RF and prevent using the DF run as an opportunity to resubmit data for MPANs that's are not subject to a Dispute. Ability for the materiality thresholds to be adjusted in line with supporting market evidence will also be important.</p>	
Question 11	Do you agree that the DWG's proposed transition approach aligns with the nine High Level Transition Principles set out for the transition approach?
Please identify any areas of the approach that do not align with the principles.	
Answer: Yes	
No Comments.	
Question 12	Do you have any other comments?
Answer: No	
N/A	