

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

CONSULTATION RESPONSE FORM

Respondent information		
Your name	Claire Hemmens	
Your company	SSE	
Type of company	Supplier	
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Confidential N	No.	

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><i>We agree with the proposed mapping. However, we seek confirmation;</i></p> <ul style="list-style-type: none"><i>that there will be an industry plan to move Domestic CT to the Destination Market Segment of Advanced, with consideration of a planned replacement by date. We do not agree with any assumptions that all existing Current Transformer metered energy will have the right solution by 2020 and that this transition has been covered by the provisions implemented under P272.</i><i>where Export now fits now under the new arrangements</i>	

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: No	
<p><i>We believe there is no merit to using the elective HHS process. There is too much complexity within the current process. How Switching is managed and any inclusion of the principle of "no backward step", with an appropriate associated process would be a requirement and it seems ineffective, unnecessary to consider how to adopt the elective HHS processes for the transition from existing to the new end state TOM.</i></p>	

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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?
Please identify any omissions.	
Answer: Yes and No	
<p>We note;</p> <ul style="list-style-type: none">• <i>It might be worth PAB considering some transitional performance serials to incentivise moving to HHS for each phase.</i>• <i>A Customer demographic and their Settlement Data Access choice will have an impact on actual HH data to use for settlements, any serials determined on actual data need to consider this. We hope this will be discussed further to ensure whatever is determined does not penalise some Suppliers.</i>• <i>There may be a risk to Settlements, if there is no way to verify what percentage of submitted data by the Processing Service is derived from granular actual meter data and not a Load Shape. We recommend the PAB is able to use information about actual/estimate, as transition proceeds, to inform the right performance criteria. When determining a meter data retrieval agent's performance criteria, we want PAB to consider the Type of Estimate/Load Shape submitted.</i>• <i>That the timing for Settlement Runs needs to carefully consider all industry code defined processes and their timings, to ensure the Settlement stage is achievable (i.e. does the timing for resolution of DCC Incidents Reporting mean that it might affect the effective consideration of the right information to confirm if retrieval was possible in that period).</i>	

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	
<p><i>We agree in principle with the high-level phased approach proposed. However, we believe that there needs to be careful consideration and preparation, cross-code, of the appropriate timing for each phase and it's determined end date of the existing provisions being run down in that phase.</i></p> <p><i>To ensure market readiness for each phase we believe 1998 showed that controlled market start-up and full qualified assurance of compliance is required to ensure each phase is successful, before its start. To develop this, we ardently believe there needs to be a full consultation with market participants and service providers (under all codes and further work;</i></p> <ul style="list-style-type: none"><i>a. in order to understand the appropriate time for each phase, it's parallel running and the end date of the existing provisions; the length of time to allow new participants to design/develop/implement/qualify new systems/processes/training etal, thus ensuring successful implementation of that phase.</i><i>b. to develop defined Entry and Exit criteria for each phase.</i><i>c. to design and consult on the effective preparation required to avoid the timing issues for the</i>	

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Question 4	Do you agree with the phased approaches proposed for BSC and Registration Systems?
<p><i>enabling code service contracts to help the market prepare.</i></p> <ul style="list-style-type: none">▪ <i>Considering, for example, the recent Smart Implementation timing issues seen when scheduling/complete the first SEC User Security Assessment with the contracted CIO. Therefore, we would want to be sure that sufficient lead-time is allowed for, for the requesting/scheduling/completing of Settlement Qualification Assessor/Auditor.</i>▪ <i>Consideration of whether there are other examples of supporting services which will require careful planning for.</i> <p>d. <i>To consider development of a Design Authority.</i></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	
<i>See answer to question 4.</i>	

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	
<i>See answer to question 4. Additionally, as mentioned above, we seek decisions and clarification about how Export and Domestic CT metering will be managed and how the transition will be managed – i.e. will Export be transferred using Change of Agent provisions? Mentioning under Advanced as it seems the mostly likely Market Segment to cover.</i>	

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	
<i>No comments.</i>	

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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	
<p>We believe there should be the addition of;</p> <ul style="list-style-type: none">• clear “Phase” Entry/Exit Criteria and supporting contracts.<ul style="list-style-type: none">○ With supporting contracts○ With supporting reporting for consideration of whether a phase has met its success criteria• Consideration of whether the timetable for each “settlement run” is appropriate, using actual data to confirm it is possible, to avoid late discovery of issues and smearing.• preparation for the change in Settlement Run, where the NHH Settlement Runs will be run-off and the NHH arrangements will be discontinued; consideration and confirmation of whether this need to be broken down by existing agent role.• Separately confirmation of whether this includes export, and where.• Preparation and management of moving from current MDD to the new Market Standing Data.• Dependency;<ul style="list-style-type: none">○ there needs to be sufficient new Service agents offering the new defined services.○ the DCC DSP re-contracting service due 2021/22 needs to be successfully concluded and any required changes are understood/managed prior to transition starting and relying on the underlying services - for example, it may be that the current DSP assumptions about SEC rules and the new DSP are different and result in change or development to implement.	

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	
<p>Agreed that the decision on how and when to reduce the Settlement timetable could be taken nearer the time, based on market/data reporting and monitoring, against defined criteria/ trigger points.</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>We consider that both SF and RF could be moved later, and the time to move could be determined by monitoring R3 data.</p>	

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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	
<i>In the main.</i>	

Question 12	Do you have any other comments?
Answer: Yes	
<p><i>Whilst mainly agreeing with the principles of the proposed Transitional approach, we note that the detailed design for this transitional approach needs to be carefully handled, to ensure smooth, seamless transition of arrangements from a Customer perspective, under a planned timetable designed to ensure that the costs ultimately borne by Consumers are not excessive, unnecessary or inappropriate.</i></p> <p><i>We encourage consideration of the overall oversight of all the program will be managed. It has not been clearly defined, but we wonder if there might be a role for a Design Authority, who can;</i></p> <ul style="list-style-type: none"><i>a. Consider the cross-code impacts of the design to deliver the transitional approach towards a successful implementation of the end state Target Operating Model (TOM).</i><i>b. Manage the interdependent cross-code changes, to ensure all impacts are understood whilst developing the final provisions and their supporting contracts.</i> <p><i>Our response to this transitional approach would have been better informed if there were clarity on the approach to be taken overall for the implementation of the regulatory framework (act, licence and in particular code), to implemented/designate/activated the Market-wide Half Hourly Settlements provisions. The approach taken could impact our assessment of the effectiveness/appropriateness of this transitional approach, as it is part of the overall implementation. Unlike the Smart Metering Implementation Programme, this wholesale change to the Electricity industry, very much akin to Controlled Market Start-up, bears some unique issues, which we can see could considerably increase the risk, cost and success of a full market, seamless implementation of a set of clearly defined, understood and developed Code provisions/processes and market end to end systems. We would encourage a briefing for industry to set out the proposed approach, to ensure that this is understood, parties are ready to engage and the responses made to other work strand this year, consider all the effects.</i></p> <p><i>The timing for MHHS implementation is key. Delivery at the same time as other significant projects presents a significant risk to settlement and trading which needs to be carefully considered. Whilst understanding the need to implement something whilst the design is still relevant, when determining the appropriate MHHS project dates (for milestones, designations and implementations), careful consideration needs to be given to the current planned (and in flight) activity which is being developed and delivered (now and in the near future) by the Electricity/Dual Fuel market. There will be dependencies on the same systems (processes, data, system, infrastructure etc.) which are being significantly changed to implement other projects.</i></p>	