

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

Transition consultation form

Public

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7 June 2019

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CONSULTATION RESPONSE FORM

| Respondent information | | |
|-------------------------|---|---------------------|
| Your name | Victoria Pelka | |
| Your company | Citizens Advice | |
| Type of company | Charity, Energy consumer advocate | |
| Contact details | <i>victoria.pelka@citizensadvice.org.uk</i> | <i>03000 231843</i> |
| Confidential Y/N | <i>No</i> | |

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.

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| 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. | |
| No response provided | |
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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. | |
| We cannot provide a simple yes or no answer to this question. | |

We understand that currently, it is a time-consuming, clunky process, for both consumers and suppliers, to switch if not both the current and new supplier offer elective HHS. However, we have seen no evidence from suppliers of how expensive or time-intensive it would be to make those processes faster and more convenient for consumers, as well as able to switch a larger number of customers within the target 21 days or indeed 1 day, as envisaged by the switching programme reforms. As we have learnt from other energy reform programmes, delays in the implementation of the HHS reform may necessitate the use of elective HHS in the interim. The costs and benefits of doing so should be weighed up against the benefits consumers and the wider energy system would lose out on by delaying market-wide HHS.

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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? |
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Please identify any omissions.

Answer: No

We would like to give the following points for the PAB and Ofgem to consider:

- Having a principle that protects suppliers from arguing that something was outside their control seems fair initially, but as we've seen from the smart meter rollout, opens the door to use that argument more than strictly justified. We would recommend a quite tight definition of categories of things that are inside and outside suppliers' control.
- The principles are geared towards protecting suppliers from factors outside their control or costs arising from customer choices. We would welcome a similar principle to protect consumers from paying for any errors or delays caused by suppliers in implementing this reform. Suppliers should not be allowed to pass on costs to consumers that arose due to their own inefficiencies or errors in implementing HHS.
- Ofgem and the PAB should consider monitoring how suppliers communicate to their customers about the changeover to HHS. They should not be pressurising or misleading consumers about HHS in the hope to get them to opt-out of HH data collection. Again, we say this with the experience of having seen how some suppliers communicated to their customers about the need to have a smart meter.

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| Question 4 | Do you agree with the phased approaches proposed for BSC and Registration Systems? |
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Please identify any issues and dependencies with the proposed approaches.

No response provided

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| Question 5 | Do you agree with the phased approach proposed for the Smart and Non-smart Market Segment? |
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Please identify any issues and dependencies with the proposed approach.

Answer: Yes

The approach described seems sensible to us. In that phased approach, we would ask Elexon and Ofgem to:

- ensure that consumers, even if they experience the transition at different times, receive communication about what is happening with their data, for what purposes it is gathered and how it is used, in good time for them to withdraw consent if they so wish;
- before the load shapes are actually used to settle consumers, conduct modelling to test the impact of the new method for a variety of different users to establish the distributional impact of any changes. Beyond this, monitor the impact on consumers who will be settled using the load shaping service. Given we do not know yet who will be half-hourly settled first and therefore whose data will be feeding into the load shaping service, it is hard to predict the accuracy and representativeness of the new model at this moment in time. It will therefore be crucial to take a cautious approach and test and monitor how the application of the load shapes affects supplier imbalance, and ultimately consumers, both initially and in the future.

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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/No (delete as appropriate) | |
| <i>Please see our response to Question 5 above.</i> | |

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| 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. | |
| No response provided | |
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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. | |
| No response provided | |
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| 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. | |
| No response provided | |

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| 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. | |
| No response provided | |
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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: No i.e we think they are incomplete | |
| <p>We believe the following principles should underpin the TOM transition to make it work for consumers:</p> <ul style="list-style-type: none">• Consumers can still switch suppliers, demand aggregators, and other energy service providers they may engage with;• Consumers can switch to HHS or change their mind and switch back to NHHS without undue delay;• Consumers receive timely and transparent communication about what data is being collected, for what purposes and who has access to it;• The change to HHS should not result in consumers seeing a rise in bills beyond what’s cost-reflective. We are particularly concerned that suppliers will raise the bills of unengaged SVT customers (through the normal price rise processes) that will be half-hourly settled (i.e. don’t opt out), and that have a particularly high use at peak time but don’t want to move to a time-of-use tariff. We would not want to see those consumers pay more for their energy than what is cost-reflective.• The impacts on consumers in vulnerable circumstances are given particular attention, particularly in relation to the distribution of costs;• Throughout the transition process, the privacy framework and the rights and preferences of consumers with regard to transparency and control of their data and how it is used are respected. | |

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| Question 12 | Do you have any other comments? |
| No response provided. | |
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