

DWG CONSULTATION ON TRANSITIONING TO THE MHHS TOM

CONSULTATION RESPONSE FORM

Respondent information		
Your name	Murray Mitchell	
Your company	Low Carbon Contracts Company (LCCC) & Electricity Settlements Company (ESC)	
Type of company	Private Companies, wholly owned by the Secretary of State for Business, Energy and Industrial Strategy	
Contact details	<i>Murray.mitchell@lowcarboncontracts.uk</i>	0207 211 8881
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 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

LCCC & ESC are supportive of the approach that the DWG has outlined in this consultation with regards level of deployment of smart meters being a trigger point for transitioning to the new Settlement Timetable. We note that currently there is a lack of clarity of when this trigger point may be reached for reasons out of the control of the DWG.

LCCC & ESC therefore wish the DWG to consider that, currently to update the Regulations and Rules (which are not in our gift) as well as our system for settlement of the Contracts for Difference and Capacity Market schemes to the new Settlement Timetable, we would at earliest be able to implement the required changes by early 2022. This is due to having a full schedule of system change up until the end of 2020 and requiring at least 12 months' lead time to implement the required changes. An implementation date by early 2022 includes the assumption that the DWG changes can be prioritised above other changes to our system, which will need to be assessed when it is indicated that the trigger point is approaching.

Please note that this is based on our initial high-level analysis and we aim to carry out more detailed analysis for Ofgem's Request For Information on the Market-wide Half Hourly Settlement Targeted Operating Model which is expected to be published in the summer 2019.

LCCC & ESC have previously outlined various areas of our operations that may be affected by the new Settlement Timetable in the Target Operating Model for Market-wide Half Hourly Settlement Design Working Group's Recommendation to Ofgem Consultation Response. For reference, we have additionally attached this to the email with this response.