Consultation on EMR data flows

We invite you to respond to the questions on this form. Please submit responses entitled 'Consultation on EMR data flows' to emr@elexon.co.uk by 5pm on 7 March 2014.

Your details

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Role of stakeholder represented	*Please state the role of the stakeholder/stakeholders on whose behalf you are responding (delete as applicable):* ***CfD*** *CfD supplier* ***Capacity Market*** *CM Supplier*
Does this response contain confidential information?	*No.*

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Consultation questions

Option 1: Sending files as email attachments	
Question 1.1	Do you agree that sending and receiving electronic data files as email attachments is an appropriate mechanism for parties who wish to minimise their investment in IT systems? If not, what alternative would you propose?

We do not agree that email is an appropriate mechanism with which to send EMR dataflows, and consider that it would be both costly and create material risk to the performance and security of the EMR process. Elexon should therefore consider alternative solutions.

Cost implications

Flows sent via email, in particular those with a material financial value attached to them, will necessitate the building of systems and processes to receive, and automatically process them, for example by intercepting them at the gateway and loading them in to existing flow management systems. Even those users without such automated systems will need to employ FTE for the receipt, handling and processing of these flows. Such impacts will necessitate new cost for *all* EMR dataflow users, something which is not the case for other available solutions.

This cost is not immaterial, and needs to be seen in the context of the costs of alternative options. We have seen information from Electralink which suggests that using the existing Data Transfer Network (DTN) will cost £60k in one off costs, plus £14k/annum thereafter. The costs of adapting *our* systems to use an email based EMR dataflow system could exceed these *industry* costs of setting up use of the existing DTN network. An estimate of the costs we would incur will be confidentially provided in the covering email to this response. This situation becomes worse when the costs of email are factored in for all other industry stakeholders. We do not therefore agree that email is a cost effective solution.

Performance and security implications

Emails are simply plain text files which can be intercepted, lost, delayed, modified or corrupted as they travel from one party to another. A number of the EMR dataflows being considered for this solution contain information of material financial importance, for example required to enable payment of invoices or the provision of data required in order to validate costs. The above risks associated with email traffic are therefore significant concerns for us and, we understand, other industry stakeholders. This risk is underlined by the existence of strict penalties, including being placed in full default, for the failure to process certain EMR dataflows within a very short space of time.

Alternative solutions

The existing DTN system provides a cheap and reliable solution for sending and receiving EMR dataflows. This is already used by the vast majority of those who will be using EMR dataflows, and can be extended to those who do not use it for minimal cost. The information provided by Elexon on the amount of data to be transmitted also suggests that the ongoing costs of the DTN would be minimal. This is explored below, in response to question 3.

Question 1.2	Would you be likely to use this mechanism yourself? If so, would you see this as a permanent solution, or a temporary workaround?

No. For the reasons above, we would not want to make use of an email based system.

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Question 1.3	Do you agree that XML is an appropriate open standard to use for the data files attached to these emails? If not, what alternative would you propose?
We have a preference for using flat file formats given the ease at which the data within it can be extracted, transformed and loaded for processing. Whilst XML has some benefits, we do not consider these outweigh the flexibility of flat file formats in this context.	
Question 1.4	Do you agree with our proposal that the settlement systems should also attach human-readable versions of each file (in PDF format) to outgoing emails?
As above, we do not believe the use of email is appropriate for EMR dataflows.	
Option 2: Other potential mechanisms for sending and receiving data	
Question 2.1	What do you see as the pros and cons of the options outlined above? Which option(s) do you see as most appropriate?
[x]	
Question 2.2	Are there any other options that we should be considering?
No.	
Option 3: Possible use of existing industry networks to exchange data	
Question 3.1	Do you agree that the DTN is the appropriate mechanism for HHDAs to provide data to the settlement systems (provided that the obligation to do so is in the BSC)?
Yes. We understand that all existing HHDAs are DTN users, and as such will be able to send and receive the necessary EMR dataflows using this existing system.	
Question 3.2	Do you believe it is appropriate to allow existing networks (i.e. DTN and/or CVA network) to be used for other EMR purposes (unrelated to the BSC or other existing industry codes)? Please provide your rationale.
Yes. The DTN mitigates all of the problems identified above with using email, and provides a low cost and secure means for sending EMR dataflows. Numbers released from Electralink show that 81% of all EMR dataflow users already use the DTN to send and receive flows, meaning implementation costs will be minimal. Indeed, Electralink have confirmed that extending the DTN to cover all parties will cost approximately £60k in one off costs, and approximately £14k/annum in ongoing costs. As above, we believe this is less than the cost of alternative systems, including the use of email. Finally, we also understand from Elexon that the size of the data to be transmitted will be comparatively small, meaning ongoing costs of using the DTN will be immaterial. In terms of security, DTN would also provide users with a reliable and audited mechanism for sending and receiving EMR dataflows. Given the importance of these flows set out in answer to question 1, this is of material importance. We therefore strongly support the use of the DTN to send and receive EMR dataflows.	
Question 3.3	Do you agree that the costs incurred in using networks in this way should be recovered from parties who choose to make use of this option? If so, should this apply to all such costs

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	(including for example the costs of including appropriate functionality in the settlement systems.)? Or should it apply only to those costs directly attributable to individual data recipients (e.g. DTN data transfer charges)?
Industry parties should be responsible for the costs associated with their own implementation of DTN. We do not believe these costs are material. Costs of the use of the system should similarly be borne by industry parties in proportion to their use of the system. Aligning costs and benefits in this way is the most economically efficient solution.	
Question 3.4	What changes would be needed to existing codes or Licenses to allow the DTN and/or CVA network to be used in this way?
We understand that changes to the Data Transfer Services Agreement would be needed. As above, this would cost approximately £60k.	

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