Rob Rome
National Grid House,
Warwick Technology Park,
Gallows Hill,
Warwick,
CV34 6DA

12 January 2018

BY EMAIL ONLY

Dear Rob,

Response to National Grid's survey regarding the creation of an IS User Group

On 22 December 2017, at least five ELEXON colleagues received an invitation from National Grid, via Survey Monkey, to answer questions on the creation of a new IS User Group. We decided to coordinate our response and so I submitted a single response online on behalf of ELEXON. Furthermore, because the invitation stated that responses are anonymous, we wanted to make sure you were able to identify our response and so have provided a copy of it in Appendix 1 below.

The following is a short summary of the key messages from our response.

We agree that the industry is undergoing significant change. To meet the challenge, we believe that effective, industry-wide coordination is necessary to ensure the development and delivery of changes to existing systems and the introduction of new systems, technology and capability. We are already proactively developing our IS Architectural Strategy, including the deployment of advanced cloud based capabilities. In this regard we are looking to partner with others in the industry in the development of industry-wide, advanced IS architecture, setting common standards, the sharing of best practice and the validation of new systems and technology.

It is encouraging that National Grid is considering the creation of an IS user group. However, to date National Grid has provided very limited details describing the group's terms of reference (in particular the scope, objectives, and level of participation expected). We believe clarifying these is essential to ensure the group's effectiveness.

Peter Stanley, Director Design and Delivery, will be our primary contact for your group. Peter's contact details are peter.stanley@elexon.co.uk or on 020 7380 4034.

Alternatively, please contact me at nicholas.rubin@elexon.co.uk or on 020 7380 4007.

Yours sincerely,

Nicholas Rubin, Market Architect

CC'd: Cathy McClay, Pirvinder Bansel, Chris Fox

Appendix 1 – Answers to survey questions

1. Is your organisation interested in being part of this user group?

Yes **-** Peter Stanley – Director Design and Delivery – peter.stanley@elexon.co.uk

2. How frequent would you like the User Group meetings to be?

Other **-** We cannot say with certainty without knowing more about the scope and purpose of the group. For example, if it is a strategic group then quarterly may suffice, however, if it is focused on specific projects' development and delivery (i.e. technical content) then it may need to meet more frequently and possibly on an ad hoc basis.

3. Where would you prefer these meetings to be held?

London

4. What topics would you or your organisation like to engage on?

IS Change Roadmap; IS Programme / Project Delivery Communications; Technical aspects; IS Architecture; Other

On the face of it, all of these topics are of interest. However, the topic titles by themselves don't provide enough information to fully understand what you had in mind. For example, are these topics limited to NG's IS or will the group consider industry-wide IS? What is meant by 'technical aspects'? Is this consideration of detailed design requirements or issues for discrete projects/systems? Alternatively, does it mean setting overall principles and standards for delivering NG's (and the wider industry) current and future IS changes?

In general, we would like to better understand what NG's IS vision and aspirations are.

5. In brief, what benefit do you hope to get out of this group?

The processes set out in the BSC require the receipt, sending and publication of large amounts of data. ELEXON is responsible for administering these arrangements and for managing the Central Systems that handle the data required for Settlement purposes. In order for ELEXON to perform its role, it must establish, maintain and develop interfaces between its systems and industry participants, including National Grid. These interfaces are critical for the reliable communication of Settlement Data.

As you noted in your covering email, the industry is undergoing considerable change across almost all aspects of the supply chain. We believe that the level of change requires industry participants, government, the regulator and stakeholders to effectively work together to ensure the coordination, development and delivery of consistent and holistic solutions. It is clear that government and the regulator believe industry have a critical role in leading this coordinated work. ELEXON already collaborates with market participants, NG (see summary below*), other code bodies, the regulator and government to understand how the industry is changing and facilitate changes to the BSC, its systems and to the wider arrangements.

We believe an IS user group can contribute to a more effective discussion about systems architecture in the energy sector, sharing of best practice and coordination of overall industry change. We are already proactively developing our IS Architectural Strategy including the deployment of advanced

cloud based capabilities. In this regard we are looking to partner with others in the industry in the development of industry-wide, advanced IS architecture, setting common standards, the sharing of best practice and the validation of new systems and technology.

However, you have only provided a very limited amount of detail about your proposed IS User Group. Without knowing more about the group's terms of reference it is difficult to say with certainty how the group might benefit us and the industry. More detail is essential to ensure the correct level of participation and the group's overall success.

In particular, clear terms of reference should describe the group's specific objectives, scope (e.g. whether it is focused on NG's IS only?), governance, roles/responsibilities and membership, and relationship with other similar groups (e.g. how would this group interact with the forthcoming development and implementation of systems to support TERRE). Also, to the extent the group may be limited to considering NG's systems, it is essential that the group nevertheless considers how changes to NG's systems fit into and impact the wider industry context.

*To effectively fulfil our role, ELEXON tracks and where necessary engages in the development of core industry arrangements, processes and systems that directly impact or may influence the BSC arrangements (processes, systems and interfaces). We do this in a number of ways. For example, in relation to NG processes and systems we track changes to the CUSC and Grid Code by sending representatives to the Grid Code Review Panel and CUSC Panel; NG and ELEXON hold quarterly bilateral meetings to discuss overall regulatory and system changes; we are members of existing IS project user groups (e.g. the EBS IT User Group); where necessary we establish dedicated three-way project groups between NG, ELEXON and CGI when delivering BSC System Releases.

6. Do you have any suggestions that would help make these meetings a two way conversation?

Strategic

- Ensure engagement is completed in a manner that allows members views to be effectively, and in a timely manner, collected and considered in the development and delivery of NG's IS architecture and system change programmes and projects. That is, providing early sight of changes or issues and allowing sufficient time and opportunity to engage with and influence the design and delivery.

- Ensure the objectives, scope and ToR for the group are clear – this is to ensure the Group's work is focused and to ensure members know what to expect and so organisations can ensure appropriately qualified staff are involved.

Practical

- Allowing NG and non-NG members the opportunity to contribute to setting and delivering meeting agendas

- Consider whether independent chairmanship, and or administration/facilitation might better achieve the group's aims more effectively

- Publish agendas and papers in good time to allow members time to review and prepare

- Ensure all agenda items are relevant to a consistent audience, rather than being a mix of strategic and detailed technical content that might require different types of attendee.

- Ensure the size of the group and expertise of members is appropriate so that the group's objectives can be effectively achieved

- Ensure meetings make best use of IT and communications to enable effective participation for those in the room and connected remotely

- Use common/global regulatory or technical language to ensure messages can be easily understood by as broad an audience as possible

- Multiple gates for consultation and engagement – e.g. engage using a standard, repeatable approach, and by allowing more than one opportunity to engage.