

# HEADLINE REPORT

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<b>MEETING NAME</b>	Design Working Group - Market-wide Half Hourly (HH) Settlement SCR
<b>Meeting number</b>	7
<b>Date of meeting</b>	25 April 2018
<b>Purpose of paper</b>	Information
<b>Classification</b>	Public
<b>Synopsis</b>	Summary of the seventh DWG meeting and actions arising.

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## INTRODUCTION AND MEETING OBJECTIVES

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- 1.1 ELEXON introduced the seventh DWG meeting and set out the meeting objectives. These were to:
- Stage 1: Agree the final consultation document and consultation questions on the Skeleton Target Operating Models (TOMs).
  - Stage 2: Review the Forward Work Plan and agree the Terms of Reference, scope and membership requirements for the forthcoming DWG workgroups.

## OFGEM UPDATES

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- 1.2 **DWG membership:** Ofgem confirmed that it had reviewed the DWG membership for Stage 2 and would be making one substitution. ELEXON agreed to publish an updated membership list on the BSC Website once Ofgem has finalised the membership.
- 1.3 **Design Advisory Board:** Ofgem provided an update from DAB meeting on 27 March 2018. The DAB agreed that it is difficult to differentiate between the TOMs and none appear to preclude future innovation. When discussing the design principles, it emphasised the importance of accuracy and timeliness. Ofgem confirmed that the next DAB meeting will be on 12 June 2018.
- 1.4 **Centralisation:** Ofgem noted that it has not yet reached a decision on centralisation of agent functions and referred to its working paper published at the end of March 2018.
- 1.5 **Data Access and Privacy:** Ofgem advised that it aims to publish its consultation on access to Half-Hourly data with the privacy impact assessment in late Spring 2018.
- 1.6 **Business case:** Ofgem confirmed that it intends to publish its Outline Business Case in mid-2018, and that this will focus on the benefits of moving to market-wide Half Hourly Settlement (HHS) rather than a cost-benefit analysis at this stage. Once the final TOM is agreed, Ofgem intends to issue a Request for Information (RFI) seeking costs – to inform its final decision on whether to proceed with HHS.

## DWG FINAL REPORT STAGE 1

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- 1.7 ELEXON confirmed that it sent the Final Stage 1 Report to Ofgem on 4 April 2018. Ofgem approved it on 11 April and published it on its [website](#).
- 1.8 The DWG agreed to extend the Forward Work Plan by two months as proposed by Ofgem, giving more time for the detailed design process and fitting better with policy decisions in late 2018.

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- 1.9 ELEXON agreed to provide indicative meeting dates for the DWG and its workgroups, and an updated Gantt chart.
- 1.10 The DWG agreed that there would come a point in Stage 2 where it would be unable to proceed without the Ofgem policy decisions. It agreed that the workgroup discussions might inform these decisions. It suggested that potential implementation approaches (e.g. 'big bang' or 'transitional') would need to be considered, and might differ by TOM.
- 1.11 ELEXON agreed to review the RAID log at the next DWG and, in particular, to review the dependencies to be clearer on why they are of concern.
- 1.12 The DWG discussed the interactions with faster switching and metering Export, how/if it could feed its views to BEIS, and potentially inviting Ofgem's faster switching team to a future DWG.
- 1.13 The DWG agreed that it would consider assurance once there is a final TOM.
- 1.14 The DWG sought clarity on when/how it would consider architecture. ELEXON agreed to bring its thoughts to the next DWG meeting.
- 1.15 Ofgem confirmed that it is likely to continue the DWG in some form even after the conclusion of Stage 2: for example, to help draft the necessary Industry Code changes.

## SKELETON TOM CONSULTATION

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- 1.16 The DWG agreed to remove consultation questions 3 and 10. There were no changes to questions 8, 9 or 13. ELEXON agreed to redraft and reorder other questions for clarity, based on DWG discussion.
- 1.17 The DWG also agreed minor changes to the consultation document, to clarify the purpose of the consultation and group all innovation discussions together. It also agreed updates to the RAID log.
- 1.18 ELEXON outlined its proposed approach to the TOM stakeholder event on 15 May 2018. Ofgem confirmed its intention to provide an update on related policy areas. The DWG noted the risk that the event, and consultation responses, could focus on policy areas rather than the TOMs and their evaluations. The DWG noted the importance of wider scene-setting, clarifying how this event differs from the previous one and explaining the areas in which the consultation is (and isn't) seeking views and why.

## STAGE 2 – WORKGROUPS

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- 1.19 The DWG discussed ELEXON approach to use DWG sub groups (work groups) to develop the detailed process design. It amended ELEXON's proposed workgroup scope, agreeing the following four workgroups:
  - Retrieval, meter reading and meter operations;
  - Processing, load shaping and registration interaction;
  - Settlement Period Unmetered Supplies service and distribution business interaction; and
  - Registration, aggregation and volume allocation (to include Settlement timetable, Group Correction Factors, Distribution Use of System charging and other wider impacts).
- 1.20 Various DWG members volunteered for different workgroups. ELEXON agreed to confirm to the DWG who was on each workgroup, and give absent/new approved DWG members a chance to also volunteer. The DWG agreed that the membership of the four workgroups should be supplemented with individuals from the existing BSC Profiling Expert Group, Unmetered Supplies User Group and Supplier Volume Allocation group respectively. ELEXON invited DWG members to suggest other members for the groups.

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- 1.21 Ofgem agreed to confirm whether changes were required to the DWG's Terms of Reference in order to enable subgroups.
- 1.22 The DWG agreed that the workgroup Terms of Reference should:
- Allow the groups to consider transitional challenges and feed these back to the DWG;
  - Steer the groups to consider what services/processes are required, rather than how they are delivered;
  - Reflect that the groups will make recommendations to the DWG;
  - Require each group to provide regular updates to the DWG;
  - Include deadlines for the groups' final outputs and key milestones, but otherwise leave each group to agree its own meeting timetable and ways of working.
- 1.23 The DWG agreed that it would meet approx. every six weeks during the workgroup process.
- 1.24 The DWG agreed that it is unnecessary to wait till after the consultation to start establishing the workgroups. ELEXON agreed to draft Terms of Reference for the DWG to review by correspondence, with the aim of having all workgroups in place by the next DWG.
- 1.25 The DWG sought clarity on what level of requirements would be developed. ELEXON confirmed that the intention was to develop service requirements to a level that Modification Proposals could be raised. ELEXON would provide further guidance on this to the DWG and the workgroups. Ofgem noted that its RFI would be based on these requirements, and so they needed to be detailed enough that costs could be established and Ofgem could make an informed final decision.

## NEXT STEPS

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- 1.26 ELEXON confirmed that the previous meeting's Headline Report had been published and all actions completed.
- 1.27 ELEXON noted that the key next steps are to:
- Finalise and issue the consultation;
  - Update the Forward Work Plan; and
  - Plan and set up the workgroups.
- 1.28 ELEXON advised that the next DWG meeting is scheduled for 13 June 2018, at ELEXON's offices.

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## ACTIONS UPDATE:

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**06/01 - DWG Chair to talk to Victoria Pelka to get consumer perspective of the latest DWG discussions, evaluations and recommendations – Closed**

***New actions on ELEXON:***

**07/01 - Update the membership list on the BSC Website to reflect the latest (Stage 2) membership.**

**07/02 - Provide members with indicative meeting dates / Gantt chart for the DWG and its workgroups.**

**07/03 - Review the dependencies in the RAID log.**

**07/04 - Redraft and finalise the Forward Work Plan.**

**07/05 - Add an extra assumption to the RAID log that smart Meters will be interoperable through the DCC.**

**07/06 - Update the consultation document and questions in line with the DWG's comments.**

**07/07 - Develop workgroup Terms of Reference for the DWG to review by correspondence.**

**07/08 - Invite those DWG members not present to participate in the workgroups.**

**07/09 - Confirm which DWG members are in which workgroups.**

**07/10 - Invite PEG, SVG and UMSUG members to participate in the relevant workgroups.**

**07/11 - Bring thoughts to the next DWG on how/when it will consider architecture, how this fits with Ofgem's planned RFI/CBA and business case decision, and what level of detail the DWG discussions will produce and hand over to the Mods Process.**

***New actions on other members:***

**07/12 - Ofgem to confirm that no changes are required to the DWG Terms of Reference in order to establish workgroups.**

**07/13 - DWG members to inform ELEXON of any other potential experts who may wish to be involved in the workgroups.**