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<b>Paper Reference:</b>	<b>TABASC_42_1605_03</b>
<b>Action:</b>	<b>For Decision</b>

## Potential Letter to Panel – action TABASC41/01

### 1. Purpose

This paper sets out concerns raised by TABASC members following a presentation by ELEXON at TABASC 41 on Market-wide Half Hourly Settlement (MwHHS).

The TABASC is asked to consider approving the letter to the Panel.

### 2. Draft Letter

TABASC members have concerns that industry programmes are currently being implemented under differing design authorities and governance structures. A lack of overall co-ordination between programmes, combined with a tendency for programmes to have a focused scope of responsibilities tailored to deliver changes specific to their programme, could lead to one or more programmes either failing to deliver their objectives or leaving stakeholders to resolve significant challenges resulting from interplay between projects.

**TABASC members recommend that an entity must be responsible for providing co-ordinated design and governance across programmes where they cut across industry codes. This body could be pre-existing or put in place specifically to deal with programme risks.**

ELEXON presented to TABASC in April 2019 an overview of the MwHHS programme they are running on behalf of Ofgem. Members highlighted that there are several design features that rely on assumptions regarding SMETS and the SEC that will impact Suppliers. Further concern is raised that resolution of these appears to be out of scope of the MwHHS project. Specific examples include:

- Assumptions that the capabilities of SMETS and wider SEC-defined smart metering solution is sufficient for MwHHS. There are concerns that the foundation provided by the SEC may not be wholly understood by MwHHS;
- Insufficiently validated assumptions that SMETS-meter data intended for customer billing can be used for MwHHS Settlement without detriment;
- Use of assumptions regarding SMETS capability as the foundation for MwHHS changes without considering user impacts;
- Removing support for NHH settlement configurations will have no impact on Suppliers, customers and distribution networks;
- Non-definition of Supplier processes / impacts could lead to sub-optimal design and ultimately customer confusion, or even impact Settlement;
- Concerns that programme planning is undertaken in isolation and the impacts on business of all programmes is not considered.

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Fundamentally, TABASC members consider it imperative that ownership of all issues and impacts of each programme are properly owned. We have concerns that evidence suggests this is not currently the case.

Options for addressing these concerns include:

- Continue to rely on Supplier, or other stakeholder, engagement on programmes. Reservations exist that the current limitations of ownership will continue and that Suppliers and other stakeholders cannot provide oversight across codes and such oversight could be subject to competition concerns;
- Improve transparency and rigour of governance, such that each issue raised is properly owned and addressed and that programmes cannot progress until this is the case;
- Establish a cross-industry design authority / governance regime to provide oversight and co-ordination.

This letter focuses on MWHHS although the need for such an entity is likely to exist for many programmes. MWHHS brings this issue into focus as it has a critical dependency upon smart metering, the SEC and related Supply Licence Conditions.

Similar requests are being made at other forums, owing to the level of concern from members.

#### TABASC Request to the SEC Panel:

TABASC considers that clear governance of cross-code programmes is necessary.

TABASC requests that the Panel agrees that such a group is identified or established. SECAS will work with the relevant cross-code stakeholders, if it is necessary to establish such a group.

### **3. Recommendations**

The TABASC is requested to **AGREE** to write to the SEC Panel with the concerns and recommendation for cross-code governance, as set out above.

**Phillip Twiddy**

**SECAS Team**

**9 May 2019**