

MP162 'SEC changes required to deliver MHHS'

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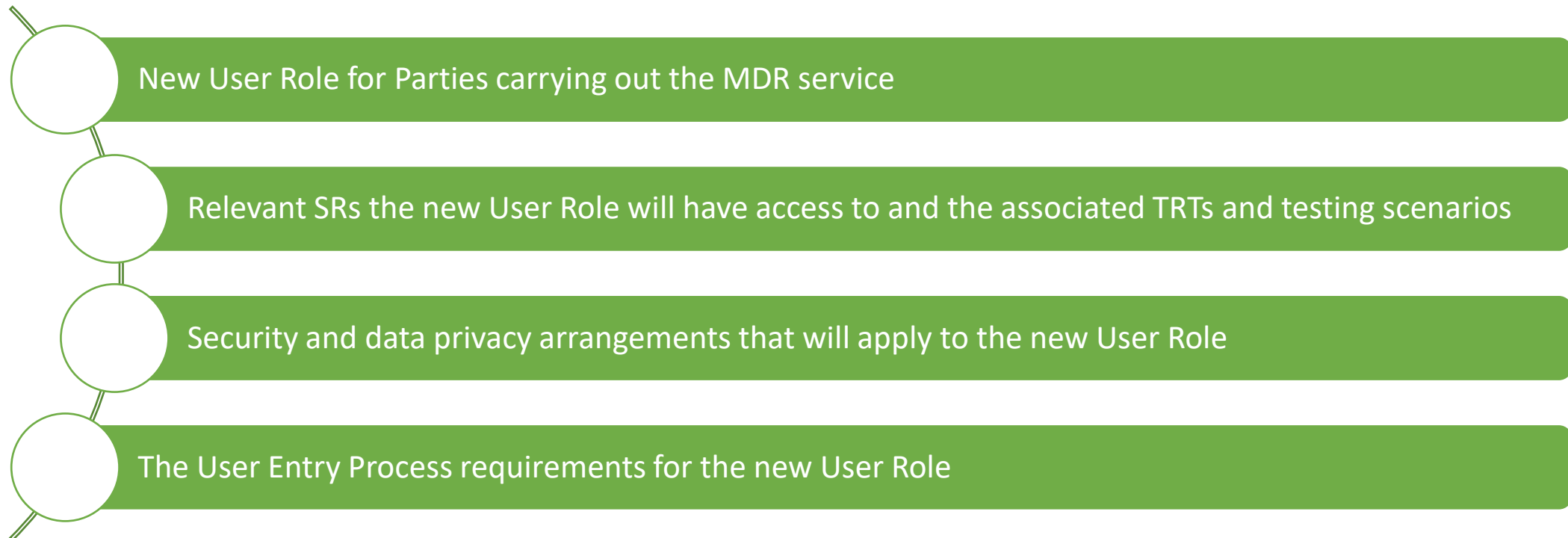
Working Group meeting 6 | 3 December 2021

Issue

- Ofgem's Electricity Settlement Reform SCR concluded Suppliers should be mandated to settle customers on a half-hourly basis
 - Settling all consumers HH would bring net benefits of up to £4.5bn by 2045
- The full MHHS solution will require SEC and DCC System changes
 - Ofgem requested DCC raise a SEC modification for this
- Ofgem has developed its target operating model for the full solution
 - SEC and DCC changes will need to deliver these requirements

Solution

- Solution will cover all required SEC changes, expected to include



Business requirements

Ref	Requirement
1	A new DCC User Role will be created for MDR Users
2	MDR Users will need to accede to the SEC and undergo UEPT
3	There shall be Access Control for MDR Users
4	The applicable Service Requests will have extended TRTs when submitted to obtain MHHS data
5	Only Eligible Users shall have access to retrieve specified data
6	The end-to-end security arrangements for half-hourly settlement will be put in place
7	An MDR User will be subject to the SEC privacy arrangements



Summary of MP162 Refinement Consultation responses

Consultation respondents

- Eight responses received:
 - Two Large Suppliers
 - Two Network Parties
 - Three Other SEC Parties who are likely to become independent MDRAs
 - The MHHS Programme

Key themes and headlines

- Only two Large Suppliers responded to the consultation
 - One respondent was broadly supportive
 - The other considered further detail is needed first in areas of the solution and implementation approach
- Comments from the three MDRA respondents were broadly aligned
 - Main concern was over the different TRTs; alternative options put forward for consideration
- Network Parties queried the wider impacts on capacity and the cross-Code impacts
- The MHHS Programme noted agreement with the proposed solution

Q1: Proposed Solution resolves issue?

- The core approach appears broadly supported, with the comments largely around the details:
 - Independent agents believe MHHS flag approach creates uneven playing field – alternative options considered (see next slide)
 - Reporting and performance requirements missing
 - Does not consider full system impact of multiple requests for data
 - Ideal solution is data accessed only once from the meter
 - Further info sought on DCC capacity
 - Impacts of new technology or DSP re-procurement

Q1: Proposed Solution resolves issue?

- An independent agent respondent put forward alternative options for the MDR role:
 1. Consumption data can only be retrieved by MDR with access to existing TRTs
 2. Proposed solution but with equivalent access to existing TRTs for IS and MDR
 3. Proposed solution but MDR can access a shorter on-demand TRT for SRV 4.8.1

Q2: Implementation approach

- Mixed views on the proposed Nov 23 go-live
- Solution must be implemented before MHHS go-live with enough time for testing
- Qualification phase expected to begin in Jan 24
- More details needed on stages and activities up to go-live
- Concern over any DUIS uplift needed and impact of DSP re-proc

Q3: Anticipated Party impacts

- MDRAs will need to undergo accession, UEPT and security/privacy audits
- MHHS Programme will be fully involved in implementation
- Suppliers may be affected by changes to CSS and DUIS requiring changes to their systems

Q4: Estimated Party costs

- Range of cost estimates provided
- Uncertainty due to lack of detail over technical design and DUIS impacts, and about MDRA process under the MHHS Programme
- MDRA costs for URPT and accessing DUIS
- Supplier costs linked to CSS changes
- Some respondents also acknowledged incurring their share of the central costs

Q5: Estimated Party impl. lead times

- Respondents generally unable to estimate lead time until more certainty is provided

Q6: General SEC Objectives

- Support for rationale given under (b), (c) and (g)
- Independent agents gave views for potential under other objectives:
 - a) facilitate the efficient operation of Smart Metering by maximising benefits realisation through extraction of HH data
 - d) facilitate and promote effective competition between Supplier and independent organisations (the current solution does not better facilitate this objective because there is not parity)
 - e) through the Dynamic Dispatch Model, Ofgem identifies between £100m and £1b in Network benefits from MHHS (the current solution does not better facilitate this objective because it has not been considered)
- One respondent feels current solution wouldn't facilitate objectives

Q7: Consumer impacts/benefits

- General agreement of benefits to consumers as per Ofgem's business case for MHHS
- Benefits to consumers if MDRA role demonstrates fair competitiveness to facilitate consumer's right of choice
- Mod doesn't consider access to consumer's consumption history – could incur more cost later

Q7: Consumer impacts/benefits

- One respondent provided further views on the consumer benefit areas:
 - **Improved safety and reliability** – more frequent collection of consumption data will allow faults to be identified and rectified faster
 - **Reduced environmental damage** – MHHS is a key enabler of flexibility, which will help reduce reliance on carbon and fossil fuel generation
 - **Improved quality of service** – increased innovation through HH enabled propositions that will benefit consumers and quality of service
 - **Benefits for society as a whole** – MHHS will unlock further innovation that will be required to transition to Net Zero efficiently

Q8: Should MP162 be approved?

- Mixed support for the solution as drafted though broad support for the modification's intent
- Further clarity needed on areas of the solution
- MDRAs support implementation but feel solution could be improved by better facilitating competition between Suppliers and MDRAs

Q9: DCC's design principles

- General agreement with the design principles
- Comments over sections in the Mod Report and how these may affect meeting DP-1 and DP-5
- Views that principles should also include:
 - Supporting implementation of the TOM
 - Solution should not disadvantage one party over another

Q10: DCC's scope & service assumptions

A1 – not clear Nov 23 is most appropriate release (one respondent)

- Limits time for solution development
- Risk of sub-optimal solution as E2E solution developed

A8 – further detail and discussion needed (two respondents)

- May be optionality in how DSP receives the data
- Supplier appoints SDS, who provides the registration data
- Need to see references to other Code changes to validate this

A10 – clarifications needed (three respondents)

- Impacts from varying level of opt-out needs clarifying
- Not clear which Code the details around this will sit under

Q11: DCC's solution design assumptions

Ref	✓	✗	Comments where disagree
NFR-1	2	4	<ul style="list-style-type: none">Lacks evidence, could be other way round
NFR-2	6	0	
NFR-3	2	4	<ul style="list-style-type: none">MDR collection could replace Supplier collectionAssumption Suppliers will retrieve all data themselves or outsource entirelyNot clear if customers could appoint SDS/MDRA directly, if so then Suppliers may also need to retrieve data for themselves
NFR-4	3	3	<ul style="list-style-type: none">Users should be free to offer different service levels and collection approaches
NFR-5	6	0	
NFR-6	6	0	
NFR-7	4	3	<ul style="list-style-type: none">Should not be separate TRTsAs minimum, SRV 4.8.1 needs shorter On-Demand TRT for MDRs to support accurate allocation of settlement volumes during a meter exchange

Q11: DCC's solution design assumptions

Ref	✓	✗	Comments where disagree
NFR-8	2	5	<ul style="list-style-type: none">• Shouldn't state that it will be outside the read window, as this time could be utilised in some cases• Not using the existing 00:00-06:00 read window for MHHS SRVs could be inefficient• Unclear what impact spreading MHHS SRVs across the day could have on other critical activities that occur outside of the current reading window (e.g. I&C)
NFR-9	6	1	<ul style="list-style-type: none">• Time periods used by MHHS could impact other time-critical activities (e.g. I&C)
NFR-10	2	5	<ul style="list-style-type: none">• See NFR-8
NFR-11	5	1	<ul style="list-style-type: none">• DCC could take advantage of new technology

Q12: DCC's requirement clarifications

Ref	✓	✗	Comments where disagree
REQ-1	6	0	
REQ-2	7	0	
REQ-3	6	1	<ul style="list-style-type: none">If User needs to flag purpose of SRV, will require DUIS changes – implications of a User not updating needs to be made clearer

Q13: Suppliers' anticipated use of MDRA's



- One Large Supplier noted current intent is to operate as its own MDRA and use scheduling services to collect data
- E2E MHHS design is yet to be finalised and the services available to deliver this – critical to this decision
- Unclear if customers can appoint MDRA directly – could result in a 'dual approach'

Q14: MRDAs retrieve data for non-MHHS uses?

- Majority support for this
 - Facilitates full outsourcing to an agent and re-use of data once collected
- Only the MHHS Programme disagreed
 - Companies should become an 'Other User' if wishing to use data for non-settlement purposes

Q15: MDRAs perform additional activities?

- Views from respondents were evenly split:

Views in support

- Should be flexibility to allow for possibility of other activities

Views against

- Would not expect the MDR role to perform any other activities
- This could be outside scope of this mod and should be investigated separately

Q16: Any other comments

- Keen to minimise impact of MHHS on existing traffic
- Further questions raised:
 - What level of performance can Users expect from DCC?
 - What happens if the DCC doesn't deliver?
 - How will DCC performance be monitored and managed under MHHS?
 - How will the DCC charging methodology change with MHHS?
 - How will MDRAs contribute to the cost of maintaining DCC under MHHS?



DCC Impact Assessment

DCC Impact Assessment request

- DCC Impact Assessment quoted at £532,785 across 11 Service Providers

What updates are needed to the business requirements for the DCC technical solution?

Are these ready to be issued for DCC Impact Assessment?



Consideration of remaining solution areas

Remaining solution areas

New Party
Category, accession
and UEPT

User Security
Assessments

Privacy
Assessments

Reporting and
performance

New 'MDR Party' Party Category

- A new 'MDR Party' Party Category will be created under the SEC
 - Treated the same as the 'Other SEC Party' Party Category
 - Existing Other SEC Party seats on groups will be shared with MDR Parties
- Suppliers will not need to register as an 'MDR Party' if intending to carry out the MDRA role in-house
- Any independent MDRA will need to accede as an 'MDR Party' if not already acceded as an 'Other SEC Party'

‘MDR’ User Role and UEPT

- Suppliers will not need to register under the ‘MDR’ User Role
- Independent MDRAs will need to register under the ‘MDR’ User Role
- Anyone registering under the ‘MDR’ User Role will need to undergo UEPT for the relevant SRVs and Alerts

User Security Assessments

- Suppliers acting as their own MDRA will continue with existing User Security Assessment
- MDRAs who are not Suppliers will need to:
 - undergo an initial Full User Security Assessment as part of the User Entry criteria
 - adhere to the same Section G obligations as an Other User
 - have annual User Security Assessments
- MDR Users will need to declare relevant ADTs in line with the existing provisions
- SSC has reviewed and is content with these requirements

Privacy Assessments

- Suppliers acting as their own MDRA will continue to not need Privacy Assessments
- MDRAs who are not Suppliers will need to:
 - undergo an initial Full Privacy Assessment as part of the User Entry criteria
 - adhere to the same Section I obligations as an Other User
 - have annual Privacy Assessments
- Privacy Assessments for MDR Users will be based on a gap analysis to be carried out between the Panel's requirements and the BSC requirements
- Deloitte has reviewed these requirements and agree Privacy Assessments are needed

Reporting and performance

- OPSG considered some bespoke reporting may be needed around HH settlement and success rates against SLAs
- Reporting requirements to be discussed and confirmed within business requirements
- We seek the Working Group's views and input to help develop appropriate reporting requirements

Legal text

- We are developing the MP162 legal text and will update this to reflect today's discussions
- We will circulate this to the Working Group for comment, before consulting more widely in the new year




Any further comments or questions?




Confirm actions and next steps

Next steps

Change Board to be asked to approve DCC Impact Assessment request on 13 December

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SECAS to develop remaining solution areas and legal text, with possible further Working Group sessions if required, before issuing second Refinement Consultation

A large, light green downward-pointing arrow connects the second step to the third.

Working Group to provide final review of solution, consultation responses and IA response in March 2022 before submitting Modification Report to CSC



SEC

Smart Energy Code

Thank you for attending

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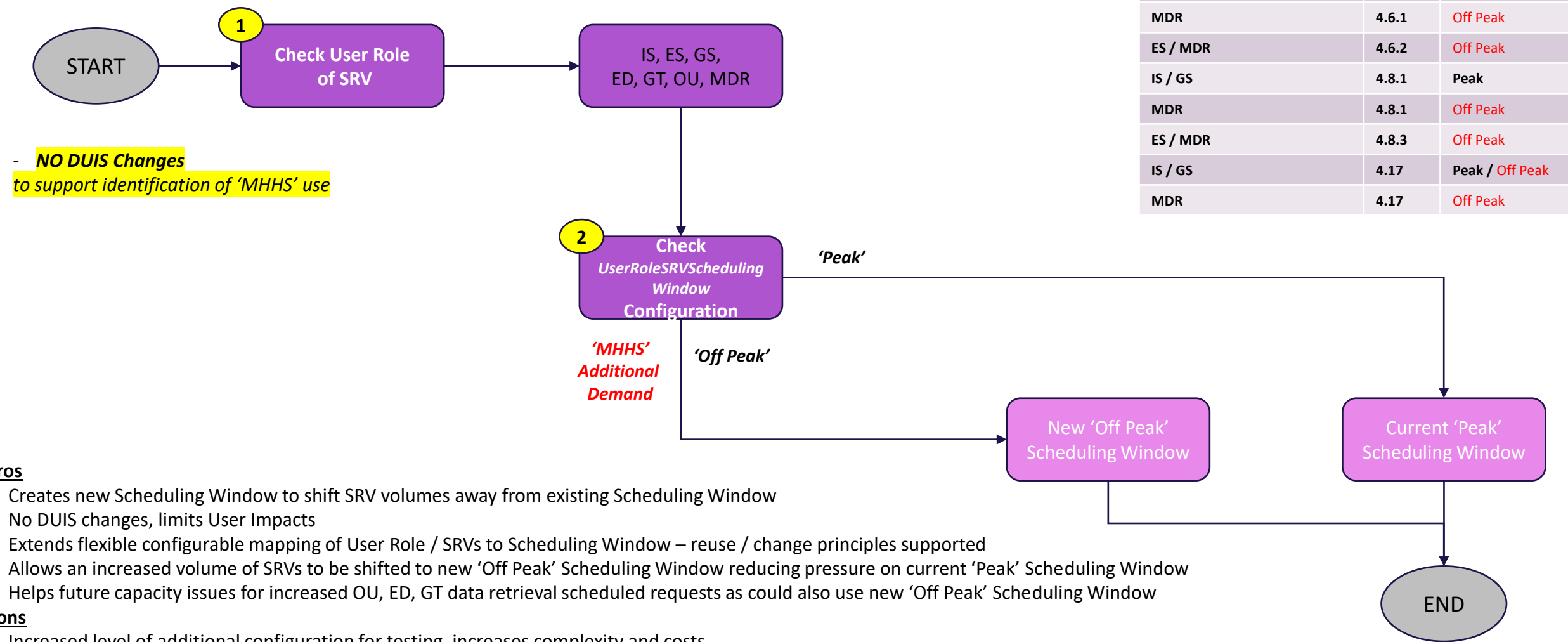


Appendix slides

MHHS – Scheduled Services

Solution	Service Levels	Benefits	Issues	Cost Impact
<p>DCC offers appropriate service to Users based on their requirements for data and relative time criticality of use of requested data</p> <ul style="list-style-type: none"> Maintains existing “Peak” scheduling window for Energy Suppliers to meet existing requirements and utilises new “Off Peak” scheduling windows for all other new requests No Change to DUIS interface to support Scheduling changes, DCC will manage based on SRV and User combinations to utilise “Off Peak” scheduling windows 	<p>All Users Scheduled Services are processed equally within 24 hr TRT</p>	<ul style="list-style-type: none"> Creates ability for DCC to shift SRVs to “off peak” periods and smooth aggregate SRV volumes over 24 hour TRT. Makes efficient use of existing DCC infrastructure capacity Energy Suppliers maintain use of existing “Peak” scheduling window (00:00 to 08:00) for existing on MHHS requirements 	<ul style="list-style-type: none"> Recognition of some level of prioritisation of existing Energy Suppliers use of scheduling services over other Users use of scheduling services within the same 24 hour TRT 	<p>Lowest - More akin to PIA Response Option A</p>

Scheduled Services – MHHS Support



Current Service Transactions (Daily Profile)

DCC Systems today carry over 75 million service transaction a day, increasing at a rate around 5% a month

- Device alerts today ~75% of all service transactions
- Device Alert volumes typically exceed service request volumes across 24hrs, even during the read window
- 80% of service requests carried out before 8am
- Device alert volumes are typically uniform across the day

DCC works with Service Providers to smooth scheduled service requests efficiently use capacity

- Scheduled read rates are set by agreement between the DCC, DSP and relevant Service Provider

