MP162 'SEC changes required to deliver MHHS'

April 2022 Working Group meeting summary

Monday 4 April 2022, 13:00-16:00

Attendees

Attendee	Organisation
Ali Beard	SECAS (Chair)
David Kemp	SECAS (Lead Analyst)
Robin Healey	SECAS
Anik Abdullah	SECAS
Rosie Knight	SECAS
Liz Woods	SECAS
Richard Vernon	DCC (Proposer)
Stuart Scott	DCC
David Walsh	DCC
Helen Metcalfe	DCC
Robbie McMillan	DCC
Danielle Walton	Ofgem
Kevin Spencer	MHHS Programme
Mark De Souza Wilson	Elexon
Emma Johnson	British Gas
Seth Chapman	Castillo
Alex Hurcombe	EDF Energy
Paul Saker	EDF Energy
Julie Geary	E.ON
Ralph Baxter	Octopus Energy
Emslie Law	OVO Energy
Sam Cannons	OVO Energy
Elias Hanna	Smart ADSL
Robert Langdon	SMS Plc
Matthew Alexander	SSEN
James Murphy	Stark
Nik Wills	Stark
Robert Johnstone	Utilita
Gemma Slaney	WPD
Kelly Kinsman	WPD

Overview

The Smart Energy Code Administrator and Secretariat (SECAS) (DK) recapped the issue identified and the Proposed Solution.

Issue

As the smart metering rollout continues, there will be more and more premises with Electricity Smart Metering Equipment (ESME) installed capable of recording consumption in each half-hour period. Ofgem's Electricity Settlement Reform Significant Code Review (SCR) has concluded that settling all consumers on a half-hourly basis would bring net benefits of up to £4.5bn by 2045[1]. It has therefore concluded that Suppliers should be mandated to settle their customers on a half-hourly basis.

The full solution for market-wide half-hourly settlement (MHHS) will require third-party agents to be able to collect half-hourly meter readings from smart meters. This is not currently possible, and so changes to the Smart Energy Code (SEC) and the Data Communications Company (DCC) Systems will be required. Ofgem has requested the DCC raise this SEC modification to progress and deliver the required changes.

Solution

During the SCR, Ofgem has developed its target operating model (TOM) for how the full MHHS solution should be delivered. The SEC and the DCC Systems changes will need to deliver the requirements set out in the TOM.

This modification will cover all the SEC changes required to allow third-party agents to be able to collect half-hourly meter reads from ESME, which will include:

- The introduction of a new User Role for Parties carrying out this Meter Data Retrieval (MDR) service.

- Defining the relevant Service Requests the new User Role will have access to and the associated Target Response Times (TRTs) and testing scenarios.

- The associated security and data privacy arrangements that will apply to the new User Role.

- The User Entry Process requirements for the new User Role.

Update from the wider MHHS programme

The MHHS Programme representative (KS) noted that a questionnaire will be issued shortly to obtain more information from Parties around the TRTs for Meter Data Retrieval Agents (MDRAs). This will include seeking use cases for needing shorter TRTs and the materiality and costs around this. The Smart Data Services (SDS) sub-group will then review these responses to determine the way forward.

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[1] Please see Ofgem's final business case and decision to implement market-wide half-hourly settlement for more details.

DCC Impact Assessment

The DCC (DW) took the Working Group through the DCC Impact Assessment response. Based on previous Working Group discussions, the DCC has taken a conservative risk-based approach, and has sought to reuse as much existing capacity as it could. The DCC is undertaking other initiatives around capacity, but for the MP162 solution it has focused on the capacity that would be needed for MHHS.

A Working Group member (RL) asked how the DCC would be able to differentiate between Service Requests for MHHS and Service Requests for existing services. The DCC (DW) responded that there is no way to differentiate these, but Suppliers will be asked to schedule all Service Requests for MHHS in the first instance. The regulatory solution seeks a level playing field, but there are legacy issues in the technical solution that limit this. Another member (GS) noted the Design Advisory Group (DAG) is looking at this matter but highlighted that even if a Supplier wanted a 24 hour on-demand TRT it doesn't currently have access to one.

A member (JG) noted the proposed changes to registration data under MP200 'Faster Switching consequential changes to the SEC'. If this is approved there would need to be cross-Code changes with the Retail Energy Code (REC) to update the registration data for the information needed for MP162.

Scheduling windows

As part of the solution, the DCC is proposing introducing 'peak' and 'off-peak' scheduling windows. This would allow relevant scheduled requests from Export Suppliers and MDRs to be processed during the day, as these requests would generally be for MHHS purposes. This would reduce the load in the overnight window for requests submitted by other Users, including Import and Gas Suppliers, who would likely be using these for existing services as well as MHHS. The DCC proposed the configuration to apply for MP162 but highlighted this is fully configurable.

A member (EL) highlighted the potential impact on Users if the timing of when data is received changes, particularly if it was received during working hours when Users would be requiring quick turnarounds for activities such as for Install & Commission (I&C) processes. They believed Users would need to take this away to consider further, as the impact could be minimal, or it could be significant. Another member (JG) was keen to ensure the processing windows didn't expand into working hours, due to the implications for I&C. They noted MDRAs wouldn't have I&C performance targets to meet.

A further member (PS) agreed that it shouldn't matter when in day requests are processed for MHHS. They considered the MHHS design shouldn't drive the industry away from lower-cost options. The level playing field principle is about delivering the same overall outcome, and the time of day when data is received won't affect overall settlement outcomes. They cautioned over the risk of driving up cost to achieve a level playing field in the wrong part of the process.

The DCC (SS) noted it had left gaps between the peak and off-peak windows to facilitate I&C requests. I&C request are likely to peak at the start of the working day, then become more staggered as the day goes on. The DCC has allowed time for the schedules in the overnight window to complete and the initial I&C peak to pass before starting the off-peak window, without this then going too far back in the day.

A member (JG) queried if there was still a risk the traffic for the MDRs' scheduled requests could impact on I&C request delivery times. The DCC (SS) noted the off-peak requests would be processed

at a lower rate and smoothed out across the day, and this window should contain fewer requests than the peak window, where most of the traffic would come. They consider there to be sufficient headroom during the day to manage this. They also noted that Users have an obligation to ensure they can support the required level of inbound traffic; if Users don't have sufficient bandwidth, this could cause issues.

A member (GS) queried if there could be any issues around the principle of a level playing field if the MDR requests were processed later in the day compared to those from Suppliers. The DCC (SS) noted a lot of consideration had gone into this. The SEC gives the DCC a 24-hour turnaround time for scheduled requests, but historically this is often completed a lot quicker. The DCC has tried to move away from this before but received significant pushback from Users who wanted to conserve the current turnaround times. The DCC has therefore sought to retain this approach, while making the best use of the time. The assumption has been that a 24-hour turnaround time is required for MHHS, and whether this comes early or late in the day doesn't really make a difference.

Capacity

A member (SC) sought clarity on the assumptions the DCC had made over the split between Supplier and third-party agents collecting data for MHHS. The DCC (SS) confirmed the assumption was 75% of data would be collected by Suppliers and 25% by third-party agents, meaning roughly 25% of the MHHS traffic could be moved to the off-peak window.

Another member (RL) queried if the capacity increase was for MHHS generally, rather than the new User Role specifically. The DCC (SS) noted there are differing views on the expected level of duplication of requests where a Supplier outsources data collection for MHHS. The DCC has made a conservative estimate that the 25% of MHHS requests assumed to be outsourced could be duplicated by the Supplier also requesting the data for other uses.

A member (EL) noted past issues with the Dual Control Organisation (DCO) managing large files and asked if this would be mitigated under MP162. The DCC (DW) confirmed the DCO would be able to manage the requests under MP162.

Testing

The DCC (RM) informed the Working Group of the expected timing for DCC testing assuming MP162 is implemented in the November 2023 SEC Release.

A member (EL) queried whether there would be any additional testing environment costs due to the new User Role. The DCC (SS) considered the existing environments would be used, but that the costs for testing would be allocated as currently. The member noted current contention with Users accessing the User Integration Testing (UIT) environments and considered this would be exacerbated with MDRs also seeking access.

Another member (JG) asked whether there will be any stress-testing for the new off-peak scheduling window operating alongside current working hour demand. The DCC (SS) considered that while MP162 was targeted for go live in November 2023, the full programme won't go live until 2024, with a year after that for migration. The DCC therefore expects to see a gradual increase in traffic rather than a 'big bang'. Once the changes have been deployed, the capacity needs would then be managed as part of business-as-usual.

A member (JM) noted that, based on a November 2023 implementation, the earliest an MDR seemed to be able to begin testing would be August 2023.

Costs

A member (SC) queried how firm the DCC's costs were, given the wider programme design has not yet been completed and baselined. They asked what would happen if there were any further costs to arise later. The DCC (DW) considered the design for this change to be complete, and that the costs given in the Impact Assessment would be the fixed price to deliver this. The wider MHHS design only impacts the DCC through a single interface.

Another member (GS) considered it contradictory that the DCC had completed its full design when the wider solution had not been baselined. However, they acknowledge the push for meeting the overall MHHS date and the need for the DCC to begin work early to achieve this. They noted that the programme was still considering the requirements around the TRTs for MDRAs, which may result in further changes. SECAS (DK) noted this would be raised via a separate modification, as discussed at the previous Working Group meeting, and that a further modification may also be needed for any further consequential changes to the SEC once the full solution had been baselined. A member (SC) wanted to avoid the industry being compromised if any consequential changes required under the smart metering arrangements weren't delivered in the expected timescales.

Risks

The DCC (DW) noted the risks still outstanding with the solution.

A member (SC) noted a further risk in that Ofgem's plan has the SDS completing SEC accreditation by April 2023, but the UIT environment won't be available until August 2023, querying whether this would be incompatible.

A member (EL) noted that everything was predicated on an MDR User completing User Entry Process Testing (UEPT) in time, as this must happen before other tasks can take place. Another member (SC) sought further clarity on the qualifications needed that may interact with the SEC accreditations.

A member (RB) noted that the people who have been on the MP162 Working Group understand what has been discussed and developed but writing this down it becomes a lot more difficult to follow. They sought assurance that the wording in the documentation for this modification would map with the technical expectations.

Second Refinement Consultation responses

SECAS (DK) summarised the responses received to the second Refinement Consultation.

A member (PS) queried if there a risk that if the concerns over the costs and the funding of this modification are not addressed the Change Board may recommend rejection because of this. The Ofgem representative (DW) noted they would take this away to discuss internally in case such feedback is provided by the Change Board.

A member (SC) believed that the SEC originally contained provisions for transactional charging on a 'per-Party' basis. They considered this could be utilised here, as it should just be changing the

relevant parameters. While this may not resolve issues with sharing the implementation costs, it would mitigate concerns with the ongoing costs.

A member (EL) considered it would be worth splitting out the costs for the new User Role and for the increased capacity, as organisations will want to know what they are paying for and why they are paying for the latter. They did not consider Parties would want to incur costs for the greater good when they could do what will be required of them today. Another member (RJ) also asked if these costs could be split out.

The DCC (SS) challenged what the industry would do with this information, and what conversations would follow, noting the MDR User Role is delivering a core Ofgem requirement. A member (RJ) considered greater scrutiny is needed around the capacity elements. Another member (RB) considered the question is how much it will cost to deliver the Ofgem principle, and that additional costs should be explicitly approved by the Authority.

The MHHS Programme representative (KS) noted that under the TOM, if the Supplier is providing the data into settlement, it would be deemed to be providing the MDR service even if it was not using the MDR User Role. A member (EL) assumed the DCC wouldn't be doing any checks on requests coming in from MDRs.

A member (GS) queried whether there should be any auditing or monitoring by a Sub-Committee around Suppliers scheduling Service Requests correctly when being submitted for MHHS but did not have an answer for this. The DCC (DW) noted there will be monitoring of whether Suppliers' on-demand usage was increasing compared to the current levels. SECAS (DK) considered such an auditing approach could be developed and implemented via a separate modification if it was considered useful, to not jeopardise timely delivery of the MP162 technical solution.

The MHHS Programme representative (KS) confirmed that if there was an Export Meter Point Administration Number (MPAN) registered, it would be mandated for this to be settled half-hourly, but if there wasn't then this would be harder. A member (PS) queried if there was still an intent to settle feed-in tariffs (FITs) half-hourly. The Programme representative agreed to take this away to confirm.

Legal text

SECAS (DK) took the Working Group through the comments that had been received on the draft legal text and the changes made in response to these.

The DCC (SS) noted that there would be an expectation to schedule MHHS requests, but the DCC Systems would not know if a request was for MHHS or not. They also noted a possible conflict if Users could be expected to schedule SR 4.2 'Read Instantaneous Export Register Values' but hadn't updated to the latest DCC User Interface Specification (DUIS) version. SECAS (AA) suggested clarification text could be added into the DUIS, and a member (PS) suggested this may sit better in SEC Appendix AB 'Service Request Processing Document'. The DCC will also be updating existing guidance for this, including the DCC User Gateway Interface Design Specification (DUGIDS).

The Working Group considered it prudent for the Cross-Code Advisory Group (CCAG) to agree on terms to be used under MHHS now, to help with legal text drafting. SECAS (RK) agreed to raise this at the next meeting.

The MHHS Programme representative (KS) queried if the proposed wording for the MDRA role was correct, and the proposed wording around this in Section H1.6(f). SECAS (DK) agreed to discuss this separately after the meeting. The Programme representative also noted that the Supplier can direct the SDS to appoint a specific MDRA if it wishes.

SECAS (DK) noted that, following discussions with the SECAS privacy experts, the view was that if the registration of the MDRA in the registration data is sufficiently robust to ensure that the MDRA is the correctly appointed organisation by the Supplier, this may negate the need for an MDR User to undergo privacy assessments. A member (JM) considered the process would be the same as for current agent appointments. The Programme representative (KS) noted the MDRA's Market Participant Identifier (MPID) would need to be in the registration date, though the SDS would be the qualified party. They also noted this part of the wider design has not yet been finalised.

A member (RL) queried if an MDR who was also an Other User would need to collect the data twice to use under each of the separate Roles. The DCC (SS) considered guidance was needed over overlapping roles.

A member (PS) queried what a User would receive if an 'instantaneous' read is subject to a 24-hour TRT. The DCC (SS) confirmed it would be the read at the time the command was executed, and the response would include the time of the read.

Implementation approach

SECAS (DK) noted the proposed implementation approach of targeting the November 2023 SEC Release if approval is received by the end of June 2022, with a fall-back of February 2024 if approval is received later but before the end of August 2022. Any later would impact on the Data Service Provider (DSP) re-procurement, for which MP162 delivery is a pre-requisite.

A member (GS) considered the benefits of delaying this modification and falling back to the February 2024 SEC Release to allow more opportunity for decisions from the wider programme to be factored in. SECAS (DK) agreed to raise this with the programme and understand if this delay would be appropriate. SECAS also noted that if the Modification Report was not presented to the Change Sub-Committee (CSC) in April, it is unlikely MP162 could be approved in time for the November 2023 SEC Release, so any delay would rule this release out.

A member (EL) considered the delay was needed to consult the industry on the impacts the DCC's proposed scheduling windows may have on them, as this solution element had not been included in the previous consultations. Users would need time to consider this. Another member (GS) agreed, noting this information would be helpful to the Change Board when making its recommendation on MP162.

Next steps

SECAS will discuss the timetable with the MHHS Programme to determine if a delay to MP162's progression and falling back to the February 2024 SEC Release would be appropriate. This will allow time for Users to consider the DCC's proposed scheduling windows and understand the impact this may have on them. On the basis this is agreed, SECAS will issue a further consultation covering the information from the DCC's Impact Assessment before targeting the Modification Report for the June 2022 CSC meeting.

The following actions were recorded from the meeting:

- DCC to review the risk of UIT testing environment contention arising from MDRs also accessing this alongside Suppliers.

- MHHS Programme to confirm if FITs will be mandated for half-hourly settlement.

- SECAS and MHHS Programme to review the legal text to ensure alignment on terminology and definitions on the MDRA role and confirmation around the registration of the MDRA.

- SECAS to discuss agreeing terminology under MHHS with the CCAG at its next meeting.

- SECAS to review the timeline for MP162 to assess the impacts from moving to a February 2024 implementation date.