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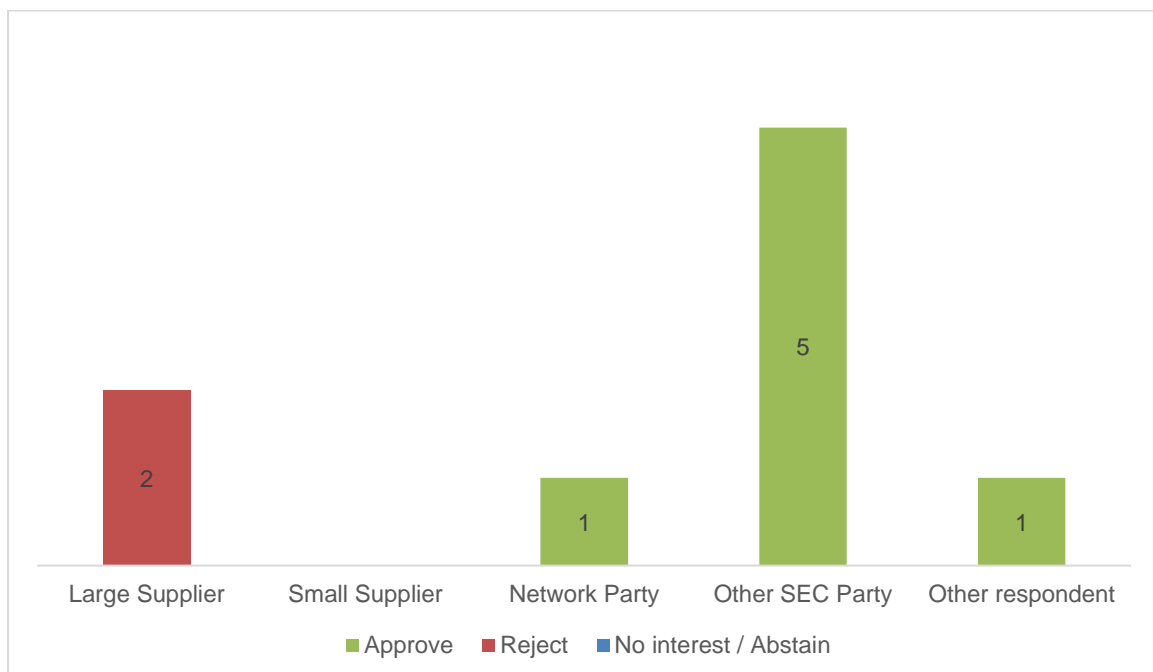
MP162 ‘SEC changes required to deliver MHHS’

Second Modification Report Consultation responses

About this document

This document contains the full collated responses received to the second MP162 Modification Report Consultation.

Summary of responses



Question 1: Do you believe that MP162 should be approved?

Question 1				
Respondent	Category	Response	Rationale	SECAS Response
Lowri Beck	Other SEC Party	Approve	We believe this change is needed to support the implementation of MHHS and will allow suppliers to use a third party to complete MHHS requirements if they so wish.	
IMServ	Other SEC Party	Approve	MDR role is required to support the MHHS TOM	
Stark	Other SEC Party	Approve	<p>The removal of costs relating to Northbound Prioritisation and S1 Caching provide a clearer view of the standalone costs to technically implement the MDR User Role. This will support the Authority in making a more informed decision. However, the SIT/UIT costs still appear high without any supporting justification and it is still not clear whether they are exclusive to this mod or encompass others within the wider release.</p> <p>Our assessment suggests that MP162 will secure positive outcomes against 5 out of 7 SEC Objectives and is neutral against the remaining two.</p> <p>Objective a) positive – regular collection of HH data from Smart meters by MDRs will better promote their efficient provision and operation than infrequent collection of register reads.</p> <p>Objective b) positive – we agree with SECAS view that implementing MDR will allow DCC to comply with its Licence requirement to facilitate implementation of the MHHS TOM.</p>	

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			<p>Objective c) positive – we agree with SECAS view that MDR will support delivery of the MHHS TOM, which will enable consumers to benefit from more accurate allocation of their consumption, as well as gain access to that data for energy management purposes from their supplier.</p> <p>Objective d) positive – creation of the MDR will enable independent organisations to compete in a market for Smart data retrieval services, which is a commercial activity connected with the supply of energy. Equally, this will promote competition between suppliers.</p> <p>Objective e) neutral</p> <p>Objective f) neutral</p> <p>Objective g) positive – we agree with SECAS view that delivering MDR as set out in the TOM will enable the wider MHHS Programme to be delivered as planned.</p>	
OVO	Large Supplier	Reject	<p>Although we are fully supportive of the benefits and solutions set out for MHHS, we feel the fact the MDR Role is set out in the MHHS TOM, as a competitive Role looking to directly compete with Suppliers in obtaining Settlement data, is flawed and did not consider how Smart actually works, the charging for such functions or the impact having such a Role would create. The Smart metering solution was never built for another party to compete with the Supplier directly and it is very clear parties wishing to become a MDR want to do other activities than just Settlements. Although we fully encourage competition and</p>	

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			opening the market, we cannot condone doing so at our cost which, as ever, will need to be paid for by our customers. For functionality they have already paid for. Nothing in the MHHS TOM, or the requirements of the Modification, provides a justification for this Role being needed that outweighs the costs that Suppliers will need to bear. It must be noted those costs will not be shared across industry, they will be charged to Suppliers only. For a function that will not improve settlement performance in any way, will not provide any customers a better level of service to that which they can receive today and will not change the behaviour of Suppliers who have no intention to use a MDR to do functions they can already do today. This Mod is a pure cost with no benefits to those who have to pay for it.	
TMA Data Management Ltd	Other SEC Party	Approve	We believe that MP162 should be approved, however we are struggling to understand why the SIT/UIT costs are so high without the appropriate breakdown in costs and the rationale to support the high costs here.	
MHHS Programme	Other respondent	Approve	<p>The MDR role is an essential component of the MHHS Target Operating Model (TOM) which has been agreed by Programme Parties and signed off by Ofgem. This modification implements what has already been agreed by Industry in the appropriate Fora.</p> <p>All MHHS Participants and Code Bodies are under obligations to deliver the change required for the MHHS Programme.</p> <p>If Industry parties do not believe the MDR role is required, then it should raise this via a Change Request on the MHHS Programme</p>	

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			<p>rather than using SEC processes. Removing the MDR from the Target Operating model will require a demonstrative business case as to why the TOM should be changed, This must be agreed by Ofgem as only they can approve a change to the TOM. This will delay implementation of MHHS for consumers and them achieving the stated benefits and frustrate all Industry parties who have shown support for delivering MHHS as soon as possible.</p> <p>For these reasons we believe the Change Board must approve this change to deliver Industry's stated intent and the scope of the MHHS Programme as approved by Ofgem.</p>	
National Grid Electricity Distribution	Network Party	Approve	<p>We believe that the solution for this modification would better facilitate SEC Objectives (b) and (g) for the reasons stated within the Modification Report.</p> <p>We don't agree that it supports SEC Objective (c) 'Facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems' as whilst it will aid settlement, we don't believe that the consumer will be getting any additional information from the Smart Metering Systems.</p>	
British Gas	Large Supplier	Reject	<p>We recognise the clear benefits to the broader energy industry of the move to Market Wide Half-Hourly Settlement.</p> <p>However, we can not see any benefits arising from the introduction of MDRs, as per this modification. Even at the now lower cost, linked to the reduced scope of this modification, it still</p>	

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			<p>puts significant unnecessary costs on Energy Suppliers, and, by extension, consumers' bills.</p> <p>We are not aware of any Energy Supplier who is intending to use the MDR service.</p>	
Siemens (<i>late response</i>)	Other SEC Party	Approve	Supports the effective and timely rollout of MHHS	

Question 2: Please provide any further comments you may have

Question 2			
Respondent	Category	Comments	SECAS Response
Lowri Beck	Other SEC Party	<p>We acknowledge that there are some outstanding concerns and issues around this Modification and expect these to be rectified as part of the next steps and work towards implementation of this change.</p> <p>We also acknowledge that this is a critical milestone in progressing MHHS and are supportive of this.</p>	
IMServ	Other SEC Party	-	
Stark	Other SEC Party	<p>We recognise that the DCC Charging Methodology is not well aligned to usage and would welcome a change. If correctly implemented, this could also create natural incentives to use the infrastructure efficiently. DP218 has been raised to consider this issue and we are ready to participate as a workgroup member.</p>	
OVO	Large Supplier	<p>As previously noted, the reduction in costs in the new 'Send Back' consultation are still being put on us to pay for. We will also need to pay the capacity costs as MP218 will not be implemented prior to this Mod needing to be signed off and paid for. Although this Mod is considerably cheaper than previously it still us paying for it all. We cannot stipulate enough that these costs provide Suppliers no benefits whatsoever and the functionality for the MDR can all be done by Suppliers already. We've had no evidence whatsoever that any are planning to leverage this Role at all. As such we cannot recommend this be approved.</p>	

Question 2			
Respondent	Category	Comments	SECAS Response
TMA Data Management Ltd	Other SEC Party	-	
MHHS Programme	Other respondent	-	
National Grid Electricity Distribution	Network Party	<p>Whilst we support this modification, we feel that the costs are still significant. We accept that they have reduced as a result of potential capacity constraints being removed from this modification to be investigated separately, however, we note that the costs remain high.</p> <p>We feel that whilst it is understood that it this solution is required to meet the MHHS TOM, we don't feel that there has been enough clear evidence to support the new MDR Role actually being used, to help provide a clear cost benefit analysis. We appreciate that this might sit under the MHHS Programme, however we don't believe it hasn't been clearly articulated there either, and therefore it is challenging to support the costs.</p>	
British Gas	Large Supplier	<p>We recognise that the costs have decreased since the Fourth Refinement Consultation, however, this is due to a further change of scope (removing the SMETS1 caching and Northbound Prioritisation), rather than an actual reduction in costs as such.</p> <p>We still are unclear as to whether costs have increased or decreased since earlier this summer, as we do not have visibility of the work being carried out by DCC on the capacity questions.</p>	
Siemens (late response)	Other SEC Party	-	