ElectraLink Host: Energy, a market in transformation

ElectraLink

Introduction

ElectraLink organises and hosts biannual events called Engagement Days. The purpose of these events is to:

- Discuss the challenges facing the ever-changing British utilities' landscape
- Share insights and solutions to address existing issues and anticipate upcoming developments
- Encourage collaboration by providing a platform for market participants, including regulators and central bodies, to share updates and engage with industry
- Provide a platform for ElectraLink to share and collaborate with market participants, focusing on projects and innovations that ElectraLink has undertaken
- Allow ElectraLink to gather feedback from other organisations to improve our offerings and continue our innovative work.

ElectraLink's fifth Engagement Day, *ElectraLink Host: Energy, a market in transformation,* took place on 3 April 2019 in Central London. In total, 115 attendees were present from various sectors, including energy and utilities, and this report summarises the feedback we received.

Key themes from the round table discussions

An end-to-end approach to tackling theft

As code managers for TRAS, and with the upcoming launch of the National Revenue Protection Service (NRPS), we felt it was important to discuss with our stakeholders their current views on the energy industry's ability to tackle theft and gather feedback on the services we offer.

Does GB have a joined-up approach to energy theft?

The overriding feeling that we heard from our stakeholders was that GB still has a way to go to achieve a joined-up approach to energy theft (42% felt progress was good but needed to continue). Feedback from attendees generally indicated that suppliers all have their own approaches that vary greatly, to the point that some don't have any processes in place to tackle theft at all. It was also highlighted that MAPs and MOPs are not involved in the process.

It was suggested that this is mainly due to the varying resource levels of different sized companies. It was recognised that the differences in approaches of different suppliers leads to inefficiencies and therefore it was generally agreed that a single, shared approach would be preferable, but this approach would need to be cost effective for all, particularly smaller companies.

Key challenges

Through our discussions with stakeholders, we discovered that industry felt there were a number of challenges they faced that would need addressing to achieve a more joined-up approach to theft. These included:

- Prohibitively high costs for smaller suppliers
- Issues with the quality of data held by suppliers
- TRAS targets that are viewed to be unachievable

- The fact that theft is sometimes viewed as an issue but not a priority
- That, from a supplier's point of view, being seen to chase prosecutions can be costly and controversial
- A lack of collaboration across the industry
- A lack of relevant skills within workforces – especially for new entrants/small suppliers

What could be done to move towards a more joined-up approach?

- The creation of a central service across the entire supply chain
- The ability to share records of previously identified theft
- Using ElectraLink's data set to improve the quality of data
- Improved awareness and transparency
- Provision of centralised training
- Better use of anti-tampering devices
- Replicating approaches seen in other industries, such as the financial industry
- The inclusion of smart meter data
- The involvement of MOPs and MAPs in the process
- Ofgem mandating investigation
- There is a link for staying energy safe on the Crimestoppers website, which may be beneficial for TRAS.

Additional comments - The impact of new tech

A recurring theme that we heard was a concern that the introduction of new technologies could cause issues when it comes to identifying outliers. Our stakeholders wanted to highlight the length of time it took to perfect the SMETS1 indicators and therefore they had concerns around the SMETS2 indicators needing just as long to get right.

They also highlighted that there could be an issue around the increasing numbers of electric vehicles being charged in people's homes that could also skew the results.

Value for money

Our stakeholders felt strongly that value for money would be one of the key factors in suppliers engaging with any approach to create an end-to-end approach to theft and therefore anything that was introduced would need to reflect that.

Vulnerability

Concerns were raised, particularly by those stakeholders who represented charities, that greater consideration needs to be given to vulnerability when looking at issues of theft, differentiating between won't pay and can't pay.

National Revenue Protection Service Pilot

From October 2018 to March 2019, ElectraLink ran a pilot for a National Revenue Protection Service (NRPS). The service allows signatories to comply with their licence condition to investigate, identify, prevent and deter energy theft. It included both field-based and desktop investigations, significantly reducing the burden and cost to energy suppliers.

At the Engagement Day event, we wanted to better understand our stakeholder's perspective on this pilot and gather any feedback as we move towards the official launch in May 2019.

On the whole, the feedback we received was that our stakeholders felt it was on the right track, but that data quality was important. Again, there were some concerns that small suppliers would find the cost prohibitive.

When asked if there was anything missing, it was suggested that providing prevention and detection advice to smaller suppliers and agents via YouTube and other channels would be beneficial.

Attendees said more should be done to promote additional services. Desktop analysis and debt management were services of particular interest. One suggestion was the possibility of identifying theft before it happens via patterns, as well as additional data from the TRAS dataset.

Asked if there is anything else that would help businesses protect customers, it was suggested that real-time data would be helpful, as well as information on the impacts of unmetered supplies.

ElectraLink's response

ElectraLink welcomes the invaluable feedback provided by our stakeholders and are undertaking a number of programmes of work and strategies in response.

Feedback	Response
A need for greater awareness and transparency, including training for smaller suppliers.	We are currently increasing our stakeholder engagement and developing a programme of TRAS training. We are also exploring the possibility of a public awareness campaign as a preventative measure.
The TRAS targets are unachievable.	We will be running a consultation in the summer which will include a review of targets.
Greater consideration needs to be given to vulnerability.	We are exploring the possibility of introducing a vulnerability charter.
Learn from other industries.	We have already undertaken work to better understand lessons we can learn from other industries. For example, we are looking to the water industry to explore their use of a theft amnesty scheme.
The provision of data can be quite onerous for smaller parties and there can be quality issues.	Given the availability of significant industry data within the ElectraLink data lake, including consumption data, it would be possible for ElectraLink to collate and provide required data to the TRAS service provider on a supplier's behalf. This would have the benefit of reducing the operational overhead on the supplier and ensure that the required data is delivered in a consistent and efficient manner.
The National Revenue Protection Service is on the right track and meets a need of industry.	We have rolled out the National Revenue Protection Service in May and will consider all feedback received on additional services.

The Energy Market Data Hub

The Engagement Day also represented a significant milestone for ElectraLink as we officially launched the Energy Market Data Hub (EMDH). The EMDH is a brand new, smart, innovation platform that brings together all the products, services and solutions we offer. It will also offer the opportunity for innovators to develop their own products and services for the benefit of the utilities industry.

Our products are divided into three categories: Data Transfer Solutions, Data Solutions and Insight Solutions.

We already have a wide range of products and solutions that allow you to tap into a wide range of market intelligence and services to benefit your business and we will continue to grow this catalogue on a regular basis.

Feedback

There was a mixed level of recognition for the EMDH. Those who were aware had primarily heard about it through their involvement with the DTS, though some had heard of some of the solutions through ElectraLink communications channels.

When asked whether they were likely to make use of the EMDH solutions, 83% of those who responded said they were either likely or very likely to, whereas when asked if they were likely to recommend these to colleagues, 100% of those who responded said they were likely or very likely to.

Across the board, attendees were keen to see more engagement with industry around the various solutions, particularly for smaller suppliers. Suggestions included providing worked examples as to how these solutions have helped businesses; workshops to help businesses understand how these solutions could support them; webinars; attendance at the small suppliers forum; and sandboxes to allow market participants to 'try out' these solutions.

It was felt that promotion of these solutions should focus on the incentives for using these tools such as the potential cost savings they could offer but also "deal with the ignorance in the industry". It was felt that there was a lack of understanding about the nature of the data available and how it can be accessed, along with a number of concerns around GDPR that would need to be addressed.

Key issues faced by industry

Through our discussions with our stakeholders there were a number of themes that emerged around issues that are faced by industry that could be addressed by the EMDH.

The prevailing theme was around data gaps and the difficulties they face in accessing the data they need. These ranged from lacking the meter reads needed to kick-off the billing process, to disputed reads, to Meter Technical Details (MTD) not being received or not received in time. It was agreed that this was exacerbated by companies not knowing what data is available to them. This lack of understanding was despite the fact that 100% of those who responded said data was very important to their business and 72% agreed that accurate energy consumption data was vitally important for domestic and business customer acquisition.

Other issues that arose included problems caused by a proliferation of systems where processes vary from entity to entity and a reliance on third parities to supply data which can be unreliable, as well as erroneous transfer, exception management and assurance monitoring.

What more could we do with the EMDH to support your businesses?

There were a number of suggestions for additional services that could be explored:

- A tool that matches MPANs and MPRNs to addresses
- A tool that provides centralised validation of data
- ReadGenie, which would give suppliers the ability to obtain reads for MPANs for a particular period to assist with billing and change of supplier queries
- A tool that could cleanse and validate smart meter data on upload, to prevent errors being inherited from previous set-up
- An expansion to DataGenie to include the last known read which would be useful in the absence of a closed meter read during a change of supplier.
- An extension of NetGen to include battery storage
- Data that provides visibility of Demand Response Agreements and their use
- The provision of 12 months of HH read data to third parties to truly understand HH consumption profile
- The provision of a consultative service to support participants to use the Build Your Own (BYO) option
- Consumer-facing services that would allow customers to check their bills
- Levering the infrastructure of the DTN to provide similar infrastructure to other countries or markets

ElectraLink's response

ElectraLink welcomes the invaluable feedback provided by our stakeholders and are undertaking a number of programmes of work and strategies in response.

Feedback	Response
We would like to see worked examples of these tools in action to better understand how these can be used in our business.	We are currently working up a bank of case studies that demonstrate these products in action. These will be published on our website and shared across our social media channels.
Increase your interaction with smaller suppliers to help them understand how they can benefit from the EMDH.	We are increasing our stakeholder engagement including attending more industry events. We have increased the size our team to allow us to engage directly with industry participants to discuss the options available. We also have a LiveChat option where anyone can ask questions.
Suggested developments for the EMDH A tool that matches MPANs and MPRNs to addresses.	We are currently working with Xoserve to provide this functionality.
A tool that provides centralised validation of data.	DataGenie can solve data validation issues for specific use cases such as customer onboarding and underpin.
ReadGenie, which would give suppliers the ability to obtain reads for MPANs for a particular period to assist with billing and change of supplier queries.	We have taken this feedback onboard and have added this option to our roadmap for future development.
A tool that could cleanse and validate smart meter data on upload, to prevent errors being inherited from previous set-up.	DataGenie can support this issue and we would happily discuss in more detail how we can help in this area.

An expansion to DataGenie to include the last known read which would be useful in the absence of a closed meter read during a change of supplier.	We have taken this feedback onboard and we are developing this as an option to be available via DataGenie.
An extension of NetGen to include battery storage.	Battery storage at a distribution connected level is already available as part of NetGen.
Data that provides visibility of Demand Response Agreements and their use.	This is not possible at present although we will investigate how we might be able to provide a platform for this on the EMDH.
The provision of 12 months of HH read data to third parties to truly understand HH consumption profile.	This is available through QuoteBusiness. We have 12 months of HH data for all measurements (AI/RI/AE/RE)
The provision of a consultative service to support participants to use the Build Your Own (BYO) option.	We are happy to discuss this and help with the BYO options.
Consumer facing services that would allow customers to check their bills.	We are reviewing the possibilities of providing customer-facing services. However, billing is a complex subject involving more than just industry data.
Levering the infrastructure of the DTN to provide similar infrastructure to other countries or markets.	We are already working with the Water industry to leverage the value of the DTN infrastructure to the broader utilities markets. We also work closely with our international colleagues to share our learnings.

Additional feedback

63% of respondents believed that compliance to a TPICoP should be mandated in the non-domestic market, with 58% of respondents feeling additional measures should be introduced within the next 6-12 months. ElectraLink aims to launch a TPICoP in summer 2019.

Sli.do questions and answers

Throughout the day, attendees sent questions to speakers and panellists via Sli.do. Several questions were answered on the day, however time constraints left us with too little time to answer them all, including questions with the most Sli.do upvotes. We have therefore addressed any questions we were unable to answer on the day below:

Theft and revenue protection

Sli.do questions	ElectraLink responses
Does energy theft happen more in the rental sector rather than the homeowner market?	TRAS does not hold the data to be able to respond to this accurately. However, we have been made aware by suppliers that there are many private and social rental properties where meter tampering has been identified.
Do we have a percentage of retailers really complying to the TRAS?	Approximately 85% of suppliers are compliant with their TRAS obligations, however it is worth pointing out that 85% of domestic suppliers and 95% of commercial suppliers failed to meet their year one gas incentive scheme targets.
Do you believe that previous TRAS supplier obligations have been appropriate and achievable?	Yes, we believe they are achievable and this is supported by some suppliers. When the TRAS Escalation Process was introduced in summer 2018, approximately 60 suppliers were non-compliant, however this number has now reduced to 14. We do believe, however, that an obligation on suppliers to utilise the TRAS data could be considered to improve overall value for money of the service.
Can you provide a few examples of how energy theft is done and how it is detected?	There are many lead sources, however most come from experienced Meter Readers, tip-offs to Crimestoppers or specialist Revenue Protection agents employed by suppliers. Some common examples are explained below: Electricity: • A wire is wedged into Terminal 1 and then into Terminal 4 of the meter – this is commonly known as a "looped bypass" or "a bridge". This can be in plain sight or hidden beneath the terminal cover. This wire allows the electricity to bypass the meter and any electricity used is unmetered. • A 'Direct to Mains' is where the meter is made "redundant" by connecting the main incoming supply (cut out) directly to the consumer unit. Gas: • An 'Internal valve/disc tamper' is where there has been an internal tamper of the meter by puncturing or dislodging the internal valves. When the meter switches to "off" or has been blanked off, the meter still allows gas to pass through, but is not registering the gas – this is particularly common on pre-payment meters.

	'Rogue meter' are where the customer swaps the meter for an unregistered meter, so consumption is free/unrecorded and unregistered. Gas (and electricity) meters are readily available on the open market (eBay and some retailers).
The TRAS targets are completely unrealistic for suppliers to achieve and bear no resemblance to the very low numbers of leads suppliers in the B2B sector.	There will be an industry consultation this summer with regards to the Theft Incentive Schemes.
AUGE has attributed a very high percentage of theft to the PPM sector. What is being done about that?	The Industry Theft Expert Group and Experian are looking at ways to incorporate meter type into the TRAS analytics engine to improve the quality of the Qualified Outliers sent to suppliers. This will enable more focused theft investigations.
Is this not a short-lived problem? Smart meter tamper events and consumption pattern changes would be identified much sooner?	We hope that smart meters will reduce the level of tampering, however we have little evidence of that to date. We are currently working with Experian and the Theft Expert Group to determine how tamper alerts could be incorporated into the TRAS analytics engine.

TPICoP

Sli.do questions and comments	ElectraLink responses
Should the process be along the lines of FCA - retail and professional? With a broad-brush approach, the cost could stifle competition and innovation.	The approach to the development of an independent Code has looked to ensure that best practice is considered at all stages of its development so far. The Code will continue to evolve and where lessons learned or wider best practice approach can be utilised, this will continue to be considered. Equally where established processes can be referenced, this will ensure efficiency and effectiveness for industry and aligns well with a principles-based approach.
"The business energy market is a sewer." Discuss.	The development of an independent TPICoP is in direct recognition of the practices that have been undertaken in the unregulated non-domestic market where customers have been fallible to disingenuous practices by some energy brokers. As part of Ofgem's Future Retail Market Review, the activities of TPIs is in scope, however the timescales currently appear longer than the ambitions of the Code being developed. The Code intends to establish a best practice approach and better protections for customers, however as a voluntary code it is not possible to guarantee its implementation will provide coverage across the market. ElectraLink strongly recommends that Ofgem mandates clear controls for the procurement of energy in the non-domestic market, with an independent Code providing the means by which both suppliers and TPIs can ensure that the selling of energy is being consistently undertaken in the interest of the customer.

How does the introduction of a further code align with the previous challenges outlined earlier in reducing the industry code complexity?	The TPICoP differs in construct by way of a clear set of principles against which performance can be measured. In the development of these principles, there is an opportunity to ensure the best practice measures are set out in clear language and can be understood by those operating in the market and those interfacing with it. To develop a set of measures that address the challenges that are present in the non-domestic market, initially a Code approach was seen as appropriate. However, as the market and governance arrangements continue to be reviewed and evolve, there are no perceived barriers to the measures being established under a broader market assurance framework.
How is a business 'vulnerable' in the context of the PSR vulnerability definitions?	During the introduction to the panel discussion on micro-business protections, the point put forward was the consideration of 'vulnerable customers' possibly in a wider context. Whilst acknowledging the importance and criticality of PSR, taking a broader view and based on the current definition of a micro-business customer, there may be a case that the incorrect selling of energy could result in the ongoing viability of a business being brought into question, and therefore the direct well-being of that micro-business owner and their dependents (whether that be a small number of employees of their family).
What does TPI stand for?	Third Party Intermediary (an energy broker selling energy contracts to customers and where a supplier is subsequently the organisation providing that energy).
BEIS is funding some smart/energy efficiency pilots. What about microbusinesses? What resources are available to help drive change?	The TPICoP is an initiative to drive change and has had good engagement from industry (both suppliers and TPIs). Ofgem and BEIS have also been engaged, however possible regulatory policy is currently moving at a much slower pace that the intended implementation of the Code.
Would it be more appropriate to have the FCA or Ofgem to create/manage a code? Otherwise is there not danger of multiple codes appearing in the market?	It is recognised that there have been and are several initiatives. The approach supported by ElectraLink was to develop an independent Code on behalf of industry which is a distinctly different position to activities which could be seen to be biased to either the supplier or TPI market. Ofgem mandating an industry Code would be a welcome outcome.
Does a draft TPI Code exist? Can you issue copies for comment/review?	A draft copy of the Code developed by ElectraLink in conjunction with industry can be requested via tpicop@electralink.co.uk
Why not mandate putting third party commissions explicitly on energy bills?	The Code establishes that TPIs must state the contract uplift prior to a contract being signed. Stipulating the requirement on the bill would provide additional transparency to the customer however the contract would have been signed prior to this point. The Code aims to ensure the customer can make informed

	decisions during the sales/agreement-to-contract process.
What can we do to be more active in order to reduce the issues that CAB encounters?	The Code that ElectraLink has been developing includes an assurance element. This is pivotal in ensuring those that state compliance to a set of best practice principles continue to stand by them and, if necessary, face action if alternative methods are uncovered. In turn, this provides more confidence and protection to the end customer.
Do you think the CMA's price transparency remedy has helped or hindered the market and pushed customers towards TPIs?	It is difficult to gauge; however, the key principle is that the customer has a clear understanding of the services they are being offered, the price, and they are able to make an informed decision before committing to a legally binding contract.
How will the industry consolidate the definition of a microbusiness between CMA and Ofgem?	This is possibly something that can be achieved through the actions undertaken within Ofgem's microbusiness review.
Why hasn't Ofgem got behind the draft ElectraLink code, or the one Ofgem drafted several years ago?	Ofgem is currently reviewing the market position through stakeholder engagement and analysis, however ElectraLink would welcome Ofgem to state a positive position as soon as possible.

EMDH

Sli.do questions and comments	ElectraLink responses
Can you go into more context regarding onboarding via Supplier of Last Resort (SoLAR)?	We can support the onboarding of customers after a SoLAR event through the provision of an OLS to transfer data or access to the DTS dataset itself
If every supplier subscribes to the EMDH and the market reaches full transparency, wouldn't this make energy a public good? Is this the road to nationalisation?	We don't believe it would as there is no evidence of data transparency resulting in nationalisation in any other market.
What are the costs for these services? And what is the difference in service for those who don't take up the extra services?	We have price lists for all our products. Please contact Chris Lane at chris.lane@electralink.co.uk to discuss this further.
Is the EMDH available to market participants now or is there a requirement to subscribe?	The EMDH platform is available now and you don't have to be a user of the DTS to access the products or solutions. These can be provided on an individual or bundled basis.
Is EMDH available to general members of public?	We don't have b2c services at present but there is the potential for the datalake to support customer access to data. If you have a specific use case in mind please contact Chris Lane at chris.lane@electralink.co.uk. Individual customers can however access any data held on them through a freedom of information request.
You've referred to governance but not security. How do you protect data and prevent abuse?	Security is built into the core design of the platform and services. Data is encrypted and the access points are secure and specific to individual customers and protected by keys. Additional contractual protections are a requirement of the DTSA and apply to all users.

Can the EMDH be used as a secure MiData solution?	The data within the platform can definitely support the delivery of Midata and we feel that the use of existing datasets would be a sensible solution for the market.
Do you see Half Hourly data being part of the personalisation of on boarding?	Yes, though the business case is arguably stronger for commercial customers than domestic.
Can you explain how data is taken from SMETS1 and SMETS2 meters?	The data set contains meter technical details transferred following meter installation as well as settlement data derived from the reads taken directly from the meters.
Is there a sandbox or test environment for EMDH tools such as QuoteRight?	Yes - we provide test facilities to allow potential customers to check integration and prove business cases prior to contract.
How's does the DCC fit into EMDH?	The DCC will connect when the CSS solution is implemented and the EMDH becomes the integration mechanism for the market.
Will all third parties have access to all sets (given the right customer permission) or will some companies only have access to specific data sets?	Access to data is specific to the consents obtained. With customer consent, third parties can access all data relating to the customer.
Does the EMDH have APIs that will allow other third-party platforms to do automated Machine-To-Machine communications?	Yes - the QuoteRight product is a good example of this.
Is the EMDH moving to provide a similar service as provided by Utiligroup, Ensek and other industry data providers?	The EMDH will provide access to data and data integration services. In the main this will be complimentary to the services provided by the third-party organisations mentioned.

Energy System Transformation

Sli.do questions and comments	ElectraLink responses
To what degree should the industry's future/ transformation be designed (or left to organically grow). If designed, how do you think this should be undertaken?	The current arrangements have been developed to promote competition and efficiency in the electricity industry. As an increasing number of customers become prosumers (with DER and an increased interest in energy and the environment), their needs are evolving, so the structure of the industry may need to be modified. As a first step towards breaking down the barriers resulting from the un-bundled system, we see value in collecting supplier and DSO data together to further enable flexibility, aggregation of domestic and small I&C resources and new technologies (such as peer-to-peer trading), to allow market participants to evolve without having to contact multiple companies for information.
How important is energy market data for underpinning flexibility services under the DSO transition?	Energy market data is critical for underpinning flexibility services as it offers a baseline view of where assets are connected.
How do we really incentivise DSO through the Network companies, surely it's not the	The Network companies have traditionally been asset management focused, however in recent years there has been a significant change in culture towards

Networks' principle focus given RIIO business plans?	innovation and optimisation through IT/OT technology. We believe the DSO transition will ultimately be customer-lead, but the DNOs have, or are developing, the tools needed to facilitate the transition as neutral market facilitators. The DNOs will be strongly incentivised against being a barrier to this transition.
To what extent will the ESO compete with the DSO?	This is yet to be resolved. The Open Networks projects is working with all DNOs and the ESO to understand prospective roles and how all players may interact. We do know that open access to data and coordination of data passing between parties will be critical to the energy networks of the future.
What is the risk that the solutions we are building today for the future will be outdated and a hindrance in 5 years' time?	When developing the Energy Market Data Hub, we put future proofing as central to its design. it operates in such a way that it can flex and adapt to meet future needs.
Is there such a thing as a 100% renewable energy supplier? Truly?	Yes, there is. We understand that this can be confusing for customers as there are those suppliers using off-setting rather than using 100% renewable sources but there are suppliers who are 100% renewable.
Is V2G a real thing?	Vehicle to grid technology exists and has been trialled under innovation projects such as Electric Nation (domestic V2G), and a swathe of Innovate UK funded projects.
What needs to be done to improve access to networks, for example distributed energy resources, in moving away from the supplier hub principle?	The unbundling of the UK electricity market has resulted in some barriers relating to data sharing and consistency between stakeholders. For example, DNOs looking for flexibility providers might have to interact with 194 supply companies to access customer resources. A centralised data source combining supplier and DSO information could improve access for both customers and the networks.
What plans do DSOs have regarding price signals and allowing suppliers access to such signals?	DNOs are currently trialling contracted flexibility solutions as a precursor to implementing full market-driven price signals. The current challenge attracting enough participants to make such markets effective. The DSOs are looking at ways to increase access to flexibility and ways to increase the value to customers by stacking value streams with other ancillary services.
How does the Power Responsive DSO focus affect the flexibility service contracts held with aggregators?	Power Responsive is an innovation project facilitated by National Grid that aims to stimulate flexibility markets in the UK. It is bringing energy users and aggregators together to increase value and participate in flexibility going forward. Existing contracts will not likely be affected but new contracts may be made available to existing and new flexibility providers.
Is the industry still missing the consumer hook style element (much like the iPhone was to the smart phone industry) in order to accelerate the change more?	We agree that customers will always be more interested in the tech that improves their standard of living or makes their lives simpler than the tech involved in making that possible. However, we are already seeing the emergence of such tech in the energy industry with

	tools such as smart thermostats, bulbs and plug sockets that are changing the way customers engage with energy.
Should networks be incentivised to use their existing grid more efficiently through the introduction of capacity utilisation targets?	Ofgem is incentivising increased network capacity utilisation by requiring network companies to demonstrate that they have considered the use of flexible solutions to connect customers. Under this approach traditional network reinforcement would only be undertaken when it becomes economically advantageous. The RIIO "Losses Discretionary Reward "aims to ensure network companies manage network losses without discouraging increased capacity utilisation.
Can we cope with a cliff edge on EV? What extra DSO tools do we need?	Yes we can. DNOs / DSOs have been working ahead of need since 2012 on understanding the impact of EV clusters on LV networks and trialling smart solutions to manage that impact. As a result, the Government has bought in the Automated and Electric Vehicles Act which states all chargers must be smart from July 2019. This is not the only answer and the EV Energy Taskforce has been set up to ensure that the auto and utilities sectors are working together to manage this future challenge.
Is the transmission network in its current form actually capable of supporting large distributed generation uptake?	Yes. Over the last decade, distributed generation uptake has increased considerably. The main challenges associated with this has been ensuring that power transformer tap changers are compatible with reverse power flows and that constraints on the networks are manged at a distribution level. Traditionally, the Transmission System Operator (TSO) has managed generation to mitigate constraints on network, but with increasing levels of distributed generation, we will see less transmission-connected generation and therefore less system inertia. The TSO has been investigating ways of managing this, e.g. through innovation projects such as "The Enhanced Frequency Control Capability " and "Project SIM".

Other

Sli.do questions and comments	ElectraLink responses
Will there be common formats for the PSR data shares	Yes there will be common formats for PSR data. At the moment, these are covered within the DTC. If these require amending to suit cross-utility requirements then this can be accommodated through the existing change management process. ElectraLink can facilitate the design of the required messages with the FlowBuilder solution.

What mechanism are you using to build collaborative teams?	ElectraLink is adopting Scaled Agile Framework (SaFE) to build an efficient collaborative structure to facilitate efficient innovation with our business partners.
Is there still a valid business case for completing the smart meter rollout without building in better access to granular data for non-retailers?	The business case described by BEIS is still valid but we would argue that access to granular data with appropriate controls for non-retailers (DNOs, 3rd parties) would allow for additional innovation that would add more value and benefit to the consumer.
Does Ofgem have the data to understand the impacts of this new world on different groups of customers?	We provide customer data to Ofgem to support increased visibility of process performance. We would welcome the opportunity to extend this approach to other datasets, which provide an even greater understanding.
How can data be best utilised to improve competition within the market?	Access to data can be used to improve processes and reduce costs. Reducing the barriers to entry will facilitate new operational models and innovation thereby improving competition.
The single biggest cost for any business is people. What radical approach is to be taken to exploit talent and drive speed, quality and efficiency?	Within retail utilities, a significant proportion of cost is spent on resourcing sub-optimal processes. By accessing the wealth of data we hold, processes can be automated and, ultimately, costs can be reduced. This also gives talented individuals a platform to innovate, creating space to drive improvement in customer outcomes.
Where do you think the power sits in the governance world now and where should it sit in future?	In the current governance regime, the ultimate power sits with Ofgem who have the power to accept, reject or veto changes to the codes; however, the panels and workgroups also have significant influence. The panels oversee the governance processes that changes follow and opine upon any potential changes. The workgroups develop the changes. In both instances these tend to be dominated by larger companies who can devote resources to attending meetings and can determine the pace of change. In the future we believe that the correct balance needs to be struck so that changes can be developed in the interests of the customer and the market; free from commercial drivers, but with routes so that company impacts can be identified and fed in. We believe this is key to ensuring that changes that deliver the best solution for the whole of the market are realised.
How can central bodies help solve current day issues within the energy sector?	From a governance perspective, central bodies play an important role in managing change as they represent a trusted independent party, free from commercial interests associated with the change. This will allay concerns that those with the most resource can influence changes to their benefit. In addition central bodies can work across codes to ensure a harmonised, whole market change process is followed, and can act

	as a conduit for information so the overall impact and cost of a change can be assessed.
	In addition, we, as a central body, have access to a wealth of energy market data as well as the governance in place that allows us to make use of that data for the benefit of the energy market. Our position means that our data is comprehensive enough to provide a whole market perspective and allow market participants to go beyond the silos of data that they individually hold, but also granular enough to provide solutions that can plug data gaps and improve market processes.
Has the current level of market complexity stifled innovation?	The energy market is complex, with many participants and actors that must be co-ordinated to ensure customers get the level of service they expect, such as keeping the lights on and allowing for competition. Other markets are also complex - such as banking and telecoms - however, they have witnessed more innovation than the energy sector. Some of this may be because energy is a homogenous product - so the ability to differentiate is limited; but regulation also has a role to play in supporting innovation. The current approach with 11 industry codes can create a barrier to implementing new business models, along with licence conditions that limit the tariffs that suppliers can offer. We believe a simplified governance model will support an increased level of innovation.
Where does governance feature in the imperfect view of the future?	Governance needs to be flexible and fluid so that it can support the future business models and arrangements we do not know about yet. Creating a governance model that works for today, or for tomorrow is not enough. We need to create a governance model that can support the world in 2021 and 2030, that supports innovation.

Event report

The Engagement Day was a successful industry engagement event which received overall positive feedback from facilitators and attendees.

The event's primary objectives were to:
- Engage with other energy industry parties,
- Collect feedback on ElectraLink's recent work with which other parties are familiar,
- Launch the EMDH,
- Share ElectraLink's current work in code management, including results of a revenue protection scheme pilot,
- Hear from guest speakers, particularly Ofgem, to understand the industry's outlook for the next few years,

- Collaborate with attendees to hear from them what obstacles, challenges, prospects and problems they face, particularly with regards to energy market data requirements, and
- Instil confidence in attendees that ElectraLink remains a trusted, transparent, engaged, responsive and innovative central body that has the skills and tools to operate in a changing energy business environment.

Agenda

ElectraLink's Stuart Lacey opened the Engagement Day at 10:00. Stuart's introductory address reflected on the state of the UK energy market in 2019, what transformation means for market participants and the public and what central bodies such as ElectraLink should be doing to facilitate transformation.

Mary Starks — Ofgem's Executive Director of Consumers and Markets — followed Stuart and spoke about the regulator's view of the transforming market and where innovation needs to be promoted to allow change to occur swiftly and effectively, particularly in switching, smart metering, code management and data solutions. You can read Mary's full speech by [clicking here](#).

Following Mary, ElectraLink's Mark Olliver presented on ElectraLink's proposed Third-Party Intermediary Code of Practice (TPICoP) and the benefits it will bring to microbusinesses, which was followed by a panel session on regulation of the TPI market, featuring panellists Jonathan Blagrove from Ofgem, David Pilling from [Ombudsman Services](#) and Elizabeth Errington from [Citizens Advice](#).

ElectraLink's Stefan Leedham then presented on energy theft and revenue protection, introducing ElectraLink's National Revenue Protection Service (NRPS) pilot which showed some promising results.

After lunch, ElectraLink launched the EMDH. Paul Gath demonstrated the procurement process for the new platform, relayed how far the [Data Transfer Service (DTS)](#) has come since 1998 to now be incorporated into the EMDH. Dan Hopkinson and Paul Linnane then explained some of the insights solutions available to EMDH users, and how data can be used to grow and innovate in the energy market.

Colm Murphy of [National Grid Electricity System Operator (ESO)](#) used his speaking slot to address the electricity system operator's approaches to, in their view, the main drivers of industry change: decentralisation, digitisation and decarbonisation. Colm informed attendees that National Grid was engaged in projects in data, innovation and network development, as well as looking at reforms in charging and balance services, where market participants can work together to respond to market changes. Following Colm's presentation, Stuart returned to the stage to chair a panel session on the transformation of the energy system, joined by Colm and other panellists, namely Ian Cameron of [UK Power Network (UKPN)](#) , Roger Hey of [Western Power Distribution (WPD)](#) and Dr Nina M Skorupska of the [Renewable Energy Association (REA)](#).

Finally, Stuart delivered closing remarks and concluded the day's proceedings.

Attendees

In total, 115 people from across the energy industry attended the event. This marks the highest-ever attendance level for an ElectraLink Engagement Day. We hope to increase this number for our next Engagement Day. (Note: due to high demand, we had to freeze tickets releases several weeks after opening ticket releases.)

Feedback from attendees

We collected feedback from the majority of attendees through Sli.do polls and hard copy feedback forms.

Overall, 97% of respondents polled as 'very satisfied' or 'satisfied' with the event and the most noteworthy aspects of the day included:

- the extensive range of different topics which were discussed,
- the quality of the speakers and their deep understanding of their areas of expertise,
- the opportunity to learn more about the industry from panels, speakers, discussions and networking and
- logistics and planning, including venue, refreshments and the use of Sli.do.

Finally, 83% of respondents felt that the event had completely met their expectations, with the remaining 17% expressing their expectations were somewhat met. 100% of respondents said they would like to attend another ElectraLink-hosted event in future. We will process and incorporate the feedback into our preparations and themes for the next Engagement Day later in 2019.

About ElectraLink

ElectraLink is a central body at the heart of the UK energy market. We are responsible for operating the Data Transfer Service that underpins the UK energy market and we ensure that this solution remains secure, low cost and facilitates vibrant competition.

With all the necessary and appropriate governance in place, our management of the DTS provides us with unique access to a wealth of energy market data, which allows us to support industry to develop solutions, facilitate innovation and reduce costs to consumers.

We also provide expertise to several energy industry codes which set the 'rules' for the gas and electricity markets. Our reputation for impartiality and energy market expertise makes us an ideal partner in the implementation and change management of energy market governance arrangements.

www.electralink.co.uk

communication@electralink.co.uk

#EMDH

ElectraLink

For more information on ElectraLink's Engagement Day, please visit our website or contact:

communications@electralink.co.uk

For EMDH enquiries, please contact Chris Lane at **Chris.Lane@electralink.co.uk**

For TPICoP enquiries, please email **tpicop@electralink.co.uk** and for NRPS queries, please email: **nrpservice@electralink.co.uk**

ElectraLink's next Engagement Day will take place at the end of Q3 or beginning of Q4 in 2019.