



ElectraLink

ElectraLink Ltd.
Ground Floor
Grafton House
2/3 Golden Square
London W1F 9HR

Tel: 020 7432 3000
Fax: 020 7432 3015
www.electralink.co.uk

EMR Programme Team
Department of Energy & Climate Change
4th Floor Area D
3 Whitehall Place
London, SW1A 2AW

20 December 2013

Re: Energy Market Reform: Consultation on Proposals for Implementation

ElectraLink is pleased to respond to the Department of Energy and Climate Change's (DECC's) consultation entitled 'Energy Market Reform: Consultation on Proposals for Implementation'. In accordance with our central role as the regulated service provider of the Data Transfer Service (DTS) to the GB electricity market we have focused our response on those areas most closely aligned with our experience, knowledge and core competencies.

About ElectraLink

ElectraLink was established by the DNOs in 1998 to procure and manage the regulated Data Transfer Service (DTS) that underpinned the newly formed competitive domestic electricity supply market. Since that date the DTS has effectively facilitated electricity retail market competition by supporting customer switching, settlement agent management, meter administration business processes and the recently launched Green Deal.

The agreement that governs the use of the DTS is a multi-party agreement which can be amended quickly to facilitate new market participants. In 2012 the DTS Agreement (DTSA) was amended to accommodate Green Deal providers and to date 59 provider companies have acceded to the DTSA and are now users of the DTS.

The DTS is a regulated service and is governed by the industry, through a User Group. The DTS User Group is currently undertaking a full review of this agreement to ensure that it is fit for purpose for the coming years, including its alignment to best practise in code governance, in line with Ofgem's Code Administrators Code of Practise (CACOP).

ELEXON's Use of the DTS

ELEXON is currently the largest user of the DTS, accounting for approximately 56% of the total sent traffic in 2013. This data transfer is in support of the settlement of the retail market, in their fulfilment of the role of Supplier Volume Allocation Agent. ELEXON uses the DTS to send this settlement data to all electricity suppliers in the GB market.



FS 559738 EMS 559739

ElectraLink Ltd

Registered No: 3271981 VAT Registration No: 698 2336 89. Reg Off: Ground Floor, Grafton House, 2-3 Golden Square, London W1F 9HR



ElectraLink

ElectraLink Ltd.
Ground Floor
Grafton House
2/3 Golden Square
London W1F 9HR

Tel: 020 7432 3000
Fax: 020 7432 3015
www.electralink.co.uk

The underlying infrastructure that underpins the DTS has spare capacity and we believe that the DTS can accommodate the incremental traffic produced by ELEXON in its implementation of the Energy Market Reform (EMR) at little or no additional cost to industry. It is relatively easy for EMR market participants not currently connected to the DTS e.g. generators, to accede to the DTSA and be connected to the DTS as demonstrated by the experience of Green Deal providers.

This initial conclusion is of course subject to ElectraLink undertaking a formal impact assessment of ELEXON's use of the DTS to support EMR which we would expect to be triggered by a request from the ELEXON representative on the DTS User Group.

Governance of the DTS by the DTS User Group

The DTS User Group is the body which governs the DTS, controlling all aspects of the service from the technical specification, through the governance arrangements themselves, to the principles by which we charge for the service.

The DTS User Group is made up of representatives covering 4 categories; Suppliers, Distribution Network Operators, ELEXON and All Other Users.

Representation on the DTS User Group is by industry election, however ELEXON has a guaranteed seat on the DTS User Group due to the importance of its role.

Certain clauses in the DTSA are also subject to Ofgem oversight, including the constitution of the DTS User Group and the principles of how we charge for the service; no changes can be made to these two elements of the agreement without Ofgem approval.

Engagement with ELEXON on EMR

In April 2013, DECC confirmed its intention to appoint ELEXON as the Settlement Agent (SA) for Feed in Tariff Contracts for Difference (FIT CfD) and Capacity Market. We have therefore contacted ELEXON with a view to jointly investigate the benefits of re-using the energy industry's existing infrastructure to support the inter-party communication necessary for this activity.

Adding further settlement data to the DTS would lead to benefits of scale and efficiency. The costs of the DTS are largely fixed and therefore additional use of the DTS by ELEXON in support of EMR, subject to a detailed impact assessment of the additional data volumes, will be more cost effective than ELEXON developing an additional data transfer infrastructure.



FS 559738 EMS 559739

ElectraLink Ltd

Registered No: 3271981 VAT Registration No: 698 2336 89. Reg Off: Ground Floor, Grafton House, 2-3 Golden Square, London W1F 9HR



ElectraLink

ElectraLink Ltd.
Ground Floor
Grafton House
2/3 Golden Square
London W1F 9HR

Tel: 020 7432 3000
Fax: 020 7432 3015
www.electralink.co.uk

Next Steps

Recognising ElectraLink's position within the market and with so much industry change underway, ElectraLink is keen to support DECC and ELEXON to ensure that the EMR is implemented and operated in a cost effective, efficient manner. ElectraLink will continue to engage with ELEXON to ensure that a full assessment of the data transfer requirements of EMR is undertaken and the resultant impact assessment on the DTS, including the resultant incremental costs to industry, is completed.

Should you wish to discuss our response and how ElectraLink can support the ELEXON in the successful implementation of EMR, please do not hesitate to contact me.

Yours Sincerely,

Paul Gath
(Chief Technical Officer)



FS 559738 EMS 559739

ElectraLink Ltd

Registered No: 3271981 VAT Registration No: 698 2336 89. Reg Off: Ground Floor, Grafton House, 2-3 Golden Square, London W1F 9HR