

Smarter Markets Programme Workshop on electricity settlement – agenda

Date/Time: 9 July 2013, 14.00 – 16.30

Location: Robert Runcie Room, Church House Conference Centre, Dean's Yard,
Westminster, London SW1P 3NZ

Background

The roll-out of smart metering has the potential to create 'smarter markets' that are more efficient, dynamic and competitive, delivering better outcomes for consumers. However, this will require complimentary changes to the arrangements that govern how market participants interact with each other and consumers.

Ofgem has established the Smarter Markets Programme to help deliver necessary reforms. One of the projects that sits under this Programme concerns the electricity settlement arrangements. Our work on settlement focuses on the arrangements set out in the Balancing and Settlement Code for allocating energy volumes to suppliers (called the Supplier Volume Allocation arrangements) and associated processes (such as performance assurance).

Our longer-term objective for electricity settlement is to have in place arrangements that use the data from smart metering to allocate energy in an accurate, timely and cost-effective way. In March 2013 we published an open letter setting out the way forward on longer-term settlement reform.¹

This letter described our intention to scope out in more detail the problem that may require changes to existing arrangements and how best to address this problem. This will provide a robust platform for subsequently identifying, assessing and implementing any reforms that may be necessary to facilitate the development of smarter markets.

As we progress our thinking, we are committed to providing all stakeholders with the opportunity to input to our work. This workshop will help inform our work to define the problem.

Objectives

This workshop will consider the drivers of reform, in the context of our ambition for promoting smarter energy markets. We will be seeking views on:

- the potential for the roll-out of smart metering to improve the performance of the settlement arrangements
- the potential for longer-term developments in the sector to change what settlement needs to deliver to support effective operation of the market.

Please find overleaf an agenda for the workshop.

¹ [Way forward on longer-term electricity settlement reform](#), Ofgem, March 2013.

Agenda

Time	Item
14.00	Welcome – Ofgem
14.10	Introduction and context – Ofgem
14.20	<p>Breakout discussion – How can smart metering improve the performance of the settlement arrangements?</p> <p><i>Delegates will be asked to consider the following questions in relation to the current performance of the settlement arrangements:</i></p> <ul style="list-style-type: none">• <i>What potential benefits can the functionality of smart metering bring?</i>• <i>Which of these benefits might be most material?</i>• <i>To what extent are changes required to the current arrangements to realise these benefits?</i>
15.20	Break
15.30	<p>Breakout discussion – How might longer-term developments in the sector change what settlement needs to deliver to support effective operation of the market?</p> <p><i>Delegates will be asked to consider the following questions in relation to the future role of the settlement arrangements:</i></p> <ul style="list-style-type: none">• <i>What factors might impact on what settlement needs to deliver and why?</i>• <i>How might this shape any future reforms?</i>
16.20	Wrap up and next steps – Ofgem