

Minutes of the Market Performance Committee Meeting 56

09 December 2021 | 09:30 – 14:00

Held via Videoconference (Microsoft Teams)

Status of Minutes: **DRAFT**

MEMBERS PRESENT

Pamela Taylor	PT	Chair	Adam Boyns	AB	Customer Representative Committee Member
Wendy Monk	WM	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Claire Yeates	CY	Retailer Committee Member	Gerard Lyden	GL	Wholesaler Committee Member
Darren Hayes	DH	Ofwat Representative	Georgina Mills	GM	Ofwat Representative

OTHER ATTENDEES

Markus Lloyd	ML	MOSL Presenter	Alexander Cowie	AC	Secretariat
Alexandra Piper	AP	MOSL Presenter	Janet Judge	JJ	MOSL Observer
Simon Bennett	SB	MOSL Presenter	Matt Labrum	MLa	MOSL Observer
Miles Robinson	MR	MOSL Presenter	James Higgins	JH	MOSL Observer

APOLOGIES

Patrick McCart	PM	Retailer Committee Member	Jo Ecroyd	JE	Wholesaler Committee Member
Adam Richardson	AR	MOSL Representative			

CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies for absence had been received from PM, JE and AR.
- 1.2. AC reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.
- 1.3. No Committee members declared any conflicts in relation to the meeting agenda items.
- 1.4. It was confirmed that the meeting was quorate.

2. MPC Ways of Working

- 2.1. The Committee noted a verbal update from AC setting out some proposed new ways of working for Committee meetings that built on feedback from Committee members at the November Committee meetings reflections session.

3. Initial Performance Rectification Plan (“IPRP”) Update

- 3.1. The Committee noted the IPRP update from AP.

4. PRP Escalation process briefing

- 4.1. The Committee received an overview from AP on the Performance Rectification Plan (“PRP”) Escalation process, noting the seven steps within the process and the four core escalation criteria as well as the additional circumstances that could result in escalation as well as the PRP Escalation timeline.
- 4.2. The Committee thanked AP for her update and discussed the PRP Escalation process, noting that:
 - From previous experience, it should be made clear at the outset that the responsibility for reporting against milestones in a timely manner is with the Trading Party put on a PRP and that they should provide progress reports to MOSL and the Committee on a regular basis.
 - The timeframe for Escalation is too long and the Committee should be able to bring Trading Parties in more quickly. It was emphasised that allowing shorter timeframes for Trading Parties to provide an explanation of any performance issues (e.g. one or two weeks) would be beneficial as it would help focus attention and reflect the importance of the issue and its potential impact on customers and other Trading Parties.
 - There should be continuity of process between an IPRP and PRP, discussions around whether to escalate should be held earlier in the process of an IPRP when there is continued poor performance so that the Committee are prepared to take an escalation decision immediately at the end of a six-month IPRP if necessary.
 - A PRP is not a huge disincentive for Trading Parties, particularly when compared with an Ofwat enforcement action, and the process is overly long and too infrequently used in comparison to its impact.
 - A full review of the PRP escalation process was required. This should be undertaken by MOSL which should start with a blank sheet and look at what would work best as we move into the world of holistic reporting. This review should also consider escalation criteria and whether IPRPs are still required under holistic reporting. When considering the future use of IPRPs, MOSL should be mindful of the Committee’s desire not to disincentivise MPS and OPS measures that aren’t captured by the holistic dashboards.
- 4.3. Following discussion, the Committee:
 - **AGREED** MOSL should undertake a full review of the PRP Escalation process and bring a revised process back to the Committee for approval.

ACTION A56_01

5. PRP Escalation Decision

- 5.1. The Committee received a briefing from AP on two IPRP's relating to a single Trading Party that were coming to an end and where performance had been below threshold level for an extended period. These IPRPs related to tasks C1a and B5a. It was noted that following the introduction of the Bilaterals Hub a reporting issue meant that there was not visibility on the Trading Party's API performance with relation to the C1-1 tasks which had replaced C1a.
- 5.2. The Committee discussed the Trading Party's performance in relation to tasks C1a and B5a and:
 - **AGREED** to trigger the escalation process for B5a; and
 - **AGREED** to communicate a 'minded to escalate' position to the Trading Party for C1a, with a final decision delayed until after more performance data in relation to the Trading Party's performance on this standard was available from the Bilaterals Hub.
- 5.3. The Committee agreed the following actions:
 - the MOSL Market Performance team should liaise with the Bilaterals team and provide assurance to the Committee that the reporting issue will not affect future standards moved into the Bilaterals Hub;

ACTION A56_02

- the MOSL team should endeavour to provide visibility on the Trading Party's recent C1-1 performance data from the Bilaterals Hub when it becomes available; and
- the letter to the Trading Party should include a request for it to provide additional customer complaints data relating to its C1a and B5a task performance for the relevant period ahead of the January meeting.

ACTION A56_03

ACTION A56_04

6. Holistic Performance Pack – Wholesalers and Retailers

- 6.1. The Committee noted the Holistic Performance Packs which had been circulated in advance of the meeting.
- 6.2. The Committee discussed the Holistic Performance Packs with the consensus view among Committee members being that they had been well worked through and would be extremely useful for the delivery of the Committee's primary functions going forward. The Committee also noted that:
 - the Holistic Performance Packs should identify which slides had been shared with Trading Parties and what engagement has been undertaken;

ACTION A56_05

- the introduction of the three-month trends was a welcome development and that this brought out some differences between the measures that would require explanation going forward (as some measures are cumulative and others reference a single point in time); and

- it would be important for the credibility of Holistic Performance Reporting for MOSL and the Committee to continue to work on getting across the message on the rationale behind each of the measures and how they all make sense.

7. Holistic Performance Pack Discussion

- 7.1. The Committee noted the paper on the impact of weightings in the Holistic Performance Packs and Trading Party feedback that had been circulated in advance of the meeting. The Committee further noted a brief verbal update that stated a Code change would be raised in January aimed at removing any ambiguity around whether the Committee is able to publish the Holistic Performance Tables publicly in April.
- 7.2. The Committee discussed the inclusion/retention of weightings within retailer and Wholesaler Holistic Performance Reports noting:
- the level of feedback received to date made it difficult to come to a properly informed conclusion on whether to retain weightings;
 - in addition to the general feedback from Trading Parties on whether or not weightings should be retained it would be good to understand Trading Party views on which measures they see as most important to inform a more nuanced discussion on revised weightings;
 - where MOSL are engaging with Trading Parties on Holistic Performance Reporting, use of weightings should be included as a discussion point; and
 - whilst all Trading Parties will have seen the Holistic Performance Reports and have had the opportunity to provide feedback, some may not have done so because feedback has not been sought in the usual way. As such, MOSL should give consideration to running a formal consultation on Holistic Performance Reporting to generate more Trading Party feedback.

ACTION A56_06

- 7.3. Following discussion, the Committee:
- **AGREED** to maintain the existing weightings until further Trading Party feedback is available.
- 7.4. Following this decision, the Committee requested that MOSL provide further information on the Holistic Reporting engagement plan detailing what is happening and when as part of the Holistic Performance Reporting Slide Pack going forward. This should include any impact on the overall timeline that delaying the decision on weightings would have.

ACTION A56_07

OPEN SESSION

8. Legacy C1 Impact on OPS

- 8.1. The Committee noted the paper on the impact of in-flight C1 tasks (Meter Verification or Supply Arrangement Check) managed through legacy systems on OPS reporting following the introduction of the Bilaterals Hub provided by MR in advance of the meeting.
- 8.2. The Committee discussed the proposals set out in the paper, noting that:

- whilst the discussion here was focussed on C1 tasks, the Committee would need to address the same issue with every process that goes into the Hub and therefore needed to carefully consider the precedent they would be setting;
- any option that resulted in requests in legacy systems no longer being reported as part of OPS data should not be considered;
- the option presented that would see requests cancelled and then re-raised in the Bilaterals Hub would result in additional work for Retailers and mean applying a different set of rules to these legacy requests than the ones that applied when they were submitted as well as potentially resulting in worse outcomes for customers;
- this issue was something that was envisioned when the Code change went in that required Trading Parties to continue reporting in legacy systems for six months after the move of the process to the Bilaterals Hub, and that it would be premature to make a decision on this at the three-month point as proposed.

8.3. Following discussion, the Committee:

- **AGREED** that C1 requests should continue to be managed through legacy systems and self-reported until their completion.

8.4. It was noted that if any C1 requests being managed through legacy systems remained outstanding at the end of the six-month period allowed in the Code the Committee would need to revisit this issue.

ACTION A56_08

MR left the meeting

9. Housekeeping

9.1. The minutes of the MPC 55 meeting were approved as an accurate record.

9.2. Following an update from AR, the Committee agreed that the following actions could be closed: A54_04; A54_05; A55_02; A55_03; and A55_04.

9.3. It was noted that the following actions would remain open: A50_01; A53_09; and A53_08.

10. Market Performance Framework Review Update

10.1. The Committee received a verbal update from ML on the Market Performance Framework (“MPF”) Review, noting that:

- the Call for Information (“CFI”) has been extended to 20 December, with a further reminder scheduled for 13 December;
- since the last Committee meeting, there had been input from the CEO Forum and the User Forum as well as the Customer Forum and the Major Energy Users Forum;
- so far three responses to the CFI had been received, with emerging messages that emphasised the importance of reputational and financial incentives (although it was noted that these were not important in terms of redistribution);
- the Invitation to Tender for external consultancy support had been drafted and was ready for the MPF Review Working Group to review and approve and that the aim was

for the ITT to go out before Christmas, building towards an appointment in late January/early February;

- overall, the workstream was still on track to present the case for change to the Strategic Panel in June but that timeframes were tight; and
- various options in terms of budget for external consultancy support were going to the MOSL Board the following week and that the outcome would be communicated to the Committee.

ACTION A56_09

11. Tabled Updates

Ofwat Update

11.1. The Committee noted the tabled Ofwat update provided by DH.

CCW

11.2. The Committee noted the tabled CCW Report provided by AB.

11.3. The Committee commented that it was interesting to look at the customer complaint data provided by CCW alongside the Holistic Reporting Dashboards and that looking at complaints as part of the Holistic Reporting Packs would be beneficial. It was however noted that there might be a Code barrier to including customer complaints data. ML agreed to look at this ahead of the next meeting and report back to the Committee on whether this was feasible.

ACTION A56_10

Panel Update

11.4. The Committee noted the tabled Panel update provided in the Tabled Updates paper.

B-Mex Working Group Update

11.5. The Committee noted the tabled B-Mex Working Group update provided by SB.

12. AOB

12.1. The Committee noted the overview of the Forward Plan provided by AC and that comments were invited offline. It was agreed that AC would send an email around after the meeting inviting further comments.

ACTION A56_11

CLOSED SESSION

13. MPC54 Reflections

13.1. The Committee reflected on the meeting.

13.2. There being no further business, the Chair closed the meeting.