

User Forum

Online

Hosted by
Markus Lloyd & Simon Bennett
17 October 2024

MOSL



Agenda



Item	Description	Who	Time
1	Opening and Welcome	Sarah McMath	1000 - 1010
2	Code Change update	Huw Comerford	1010 - 1025
3	Market Performance Framework reform latest	Oli Robins / Evan Joanette	1025-1040
4	Strategic Metering Programme – Sharing granular consumption data sharing latest	Chris Dawson	1040-1055
5	MIF Round 4 Update	Sophie Turner	1055-1105
6	RWG update	Fallon Wilkinson and Mike Rathbone	1105-1120
7	Debate (Meter Reading Obligations)	Huw Comerford	1120-1155
8	Close/AOB	Markus Lloyd and Simon Bennett	1155-1200

Code Changes



Huw Comerford
MOSL

17 Oct 2024

Change Proposals/Reports to table at CCC in next 3 months* (Part 1 of 2)



Title	Summary	Stage
12 November 2024		
Data Report Release to Public Bodies PIP204	Align codes with legislation and clarify when the Market Operator can provide data to public bodies	Acceptance
Review of estimated transfer read conditions	Enforce the requirement to provide actual transfer reads instead of estimates unless exceptional circumstances apply	Acceptance
10 December 2024		
MPF reform part c – KPIs phase 1 CPM058 & CPW149c1	Key Performance Indicators and Incentives for Cyclical and Transfer Reads of the reformed Market Performance Framework	Recommend
Standardising the definition of sensitive customer PIP216	Standardise the definition of sensitive customers across wholesaler regions to ensure consistent treatment during unplanned events	Acceptance
Third party access to consumption data PIP209	Provide approved third-party intermediaries with access to non-household market water consumption data	Acceptance



*As of 11/10/2024

Dates for changes with PIP references are estimated.

Change Proposals/Reports to table at CCC in next 3 months* (Part 1 of 2)



Title	Summary	Stage
16 January 2025		
Bilateral Hub (Additional enhancements pt. 4) CPW139i	Simplify CSD0601 and split it across three documents detailing the data transactions, data items and state transitions.	Recommend
BR-MeX CPM052 & CPW140	Survey of businesses and retailers to inform the Wholesaler price control	Recommend



*As of 11/10/2024

Dates for changes with PIP references are estimated.

Trading Party requests in next 3 months*

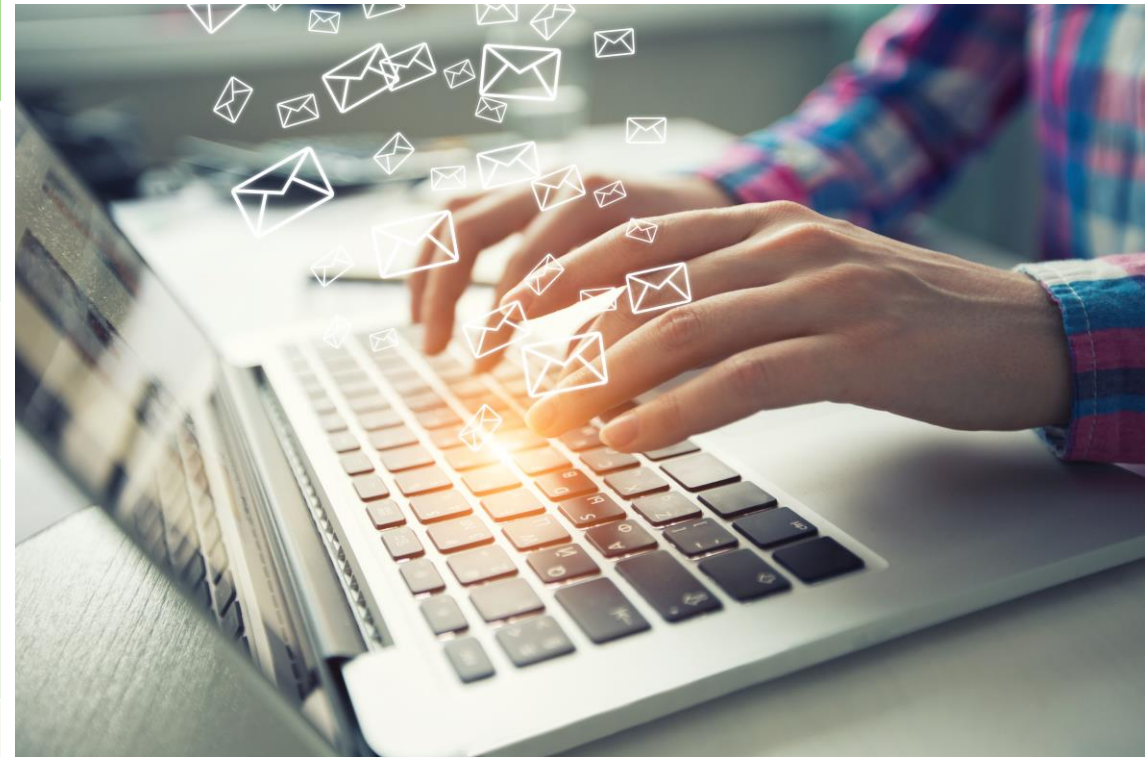
Title	Engagement type	Date
Post RF Customer Refunds CPW152	RFI	30 Sep – 25 Oct 24
Interim Supply: Cost Recovery Mechanism & Initial Cost Support CPW153 & CPW154	Consultation	4 – 22 Nov 24
Deductions and withholdings under the formal Disputes Process CPM054 & CPW145	Consultation	11 Nov – 11 Dec 24
Data Quality Assurance Flags CPW155	Consultation	18 Nov – 6 Dec 24
Review of Estimated Transfer Read Conditions PIP088	Consultation	13 – 31 Jan**
MPF Consultation 5 on standards and charge values CPM058 & CPW149	Consultation	28 Jan- 28 Feb 25**
Post-RF Customer Refunds CPW152	Consultation	24 Jan – 14 Feb 25**



*As of 11/10/2024, ** Dates TBC

Awaiting Ofwat Decision*

Title	CCC Recommendation	Decision Due	Implementation
Credit support and wholesaler credit ratings CPW132	Unanimous rejection	01/02/24	1 Mar 24
MAC and MOSL Articles Duplication CPM059	Majority Recommendation	01/11/24	6 Dec 24
Bilateral Hub (Additional enhancements pt. 3) CPW139	Majority Recommendation	22/11/24	13/12/24
Wholesaler smart meter reads CWP142	Majority recommendation	11/10/24	9 May 25**



*As of 09/10/2024, ** December 25 more likely

Implementing*

Title	Central System Impact	Code Release Date
Governance of Incentive Scheme Guidance Documents CPW150	N	8 Nov 24
WRC Housekeeping CPW151	N	
MPF Reform – Governance CPM058 & CPW149 (a)	N	27 Nov 24
MPF Reform - Non-Financial Tools CPM058 & CPW149 (b)	N	
Transfer Read Notification for Outgoing Retailers CPW148	Y	6 Dec 24



*As of 11/10/2024

Implemented in Last Month*

Title	Central System Impact	Date of Release
Governance of Incentive Scheme Guidance Documents CPW150	N	8 Nov 24



*As of 11/10/2024

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Questions



Market Performance Framework (MPF) Reform Update

Evan Joanette and Oli Robins

MOSL

17 October 2024



Consultation 4 timeline

Consultation period: 8 July – 2 August



13 August 2024

High level quantitative results

6 September

**Verbatim comments
MOSL's detailed responses to all feedback**

12 September

Face-to-face event in London

26 September

Summary of Consultation feedback and outcomes
Nb: subject to Steering Group ratification

Summary of key themes discussed

MOSL's 'minded to' positions



The following 7 themes were prioritised based on the significance of the concept, along with the detail and strength of feeling through the feedback, as well as their recurrence across multiple questions.

Ref	Theme summary	MOSL 'minded to' position at meeting	MOSL 'minded to' position following meeting	Related themes
T12	Capping financial incentives	Minded to agree - we propose to include a cap on charges	Unchanged	
T7	Compensation payments	Minded to agree – we propose to remove concept of compensation	Unchanged	T19
T15	Need a further consultation once charges and standards are proposed	Minded to agree – we will look at how to accommodate in plan	Unchanged	T1, T10
T2	Variations in regional performance	Minded to disagree – due to complexity	Unchanged, but Performance Assurance Committee (PAC)* to take into consideration when reviewing performances	
T3	Varying future charges (i.e. whether sits inside or outside the Codes)	Minded to agree – further discussion needed at PAG to define	Unchanged	T6
T9	Outperformance payments	Further consideration needed (PAG)	Unchanged	
T20	Shadow period	Minded to agree – will look to see how we accommodate in plan	Unchanged	T10

*Successor to Market Performance Committee/MPC

Consultation 4: next steps

- MOSL's 'minded-to' positions and revised MPF Programme Plan presented to the Steering Group on 9 October 2024
- The Steering Group supported a proposed revision to the MPF Programme Plan to include a further consultation and shadow period
- MOSL requested two weeks assure the programme plan risks prior to confirming back to the Steering Group
- Following themes to be workshopped with the PAG in line with MPF programme:
 - Charging cap (Theme 12)
 - Outperformance payments (Theme 16)
 - Potential approaches to the MIF (Open Forum Topic 3)
- Performance standards and charging values to be determined via further consultation

Strategic Metering Programme

Progress on the National Metering Strategy

Chris Dawson

17 October 2024



STRATEGIC PANEL
By Commission

3. Benefits of smart metering

Table 1 (below): benefits of smart metering identified by Artesia Consulting research

Market Operator
Smart meter performance
Real performance compared to non-smart meters
Smart metering
Smart metering
Smart metering

behalf of the
retailers, Wholesalers

report based on
meter technologies,
drawbacks for both
control, savings, and
receiving data on
of customers.

umption, driving a
market settlement
nly read bi-annually

n and reduce usage
here consumption
e.g., continuous flow)
n

HH premises
on in NHH

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**National Metering Strategy
for the Non-Household Retail Market**

Strategic Panel

27 March 2024

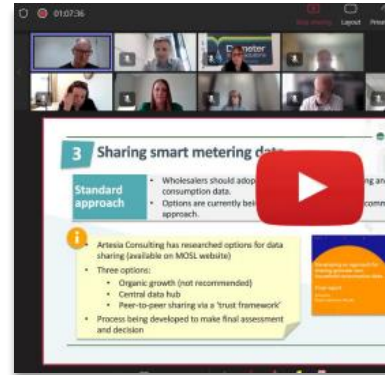
Strategy launch & follow-on work

Metering Strategy (published 27 March 2024)

- Positive response from the market; downloaded 2,250+ times
- 17 follow-on actions identified; primary focus: data sharing and related outputs

Related work

- Continuous flow definition and guidance - published July 2024
- Smart metering rollout plan dashboard being developed
- Continuing to promote Wholesalers' adoption of the common granular data sharing specification
- Working with RWG and code changes to help standardise smart metering rollout communication methods



MOSL @MOSL - Apr 29
We were delighted to be invited to present at the Smart Water Systems Conference last week. Metering Sponsor, Steve Formoy, gave an overview of the Strategic Panel's recently published Metering Strategy:
bit.ly/3Uc3f8w



Strategic Metering Programme

Identification of a granular data

sharing mechanism for the NHH market



Purpose of update

To provide the User Forum with an update on:

- The need for a common mechanism – and stakeholder support
- Progress to date – including gathering input
- Initial views on potential solution
- Proposed next steps

The opportunity

To ensure that data generated by smart water metering is effectively and efficiently utilised in the market to enable:

- **Settlement and Billing** - future improvements to settlement, customer bills and opportunities for new tariffs
- **Enhanced Services** - retailers to develop and deliver a range of enhanced services for customers
- **Regulatory targets** - wholesalers to meet their performance commitments (leakage and business demand reduction)
- **National water management** – Defra to ensure water supplies and water scarcity is effectively managed

The mandate



- **The Panel's National Metering Strategy included:**
- 5.3.2: Wholesalers should adopt a standard approach to storing and sharing consumption data. Options are currently being assessed to determine a recommended approach. Metering Committee to review findings of independent research and investigate costs of recommended approach(es). Committee to then consider how to take forward.



Draft determination sets out the need for a common data sharing protocol – to be agreed by December 2025



Department
for Environment
Food & Rural Affairs

**Defra letter to MOSL,
12 July 2024
Martin Woolhead,
Deputy Director,
requested MOSL:**

“Establish a data sharing mechanism for the market to share market data in a transparent, consistent, and accessible manner.”



Department
for Environment
Food & Rural Affairs

Seacole Building
2 Marsham Street
London
SW1P 4DF

T: 03459 335577
helpline@defra.gov.uk
www.gov.uk/defra

Ms Sarah McMath
MOSL
White Building
1-4 Cumberland Pl
Southampton
SO15 2NP

Date: 12 July 2024

Dear Sarah,

Market Segmentation

I'd like to begin by thanking you for MOSL's ongoing efforts to support the government in working towards achieving the water demand targets to ensure a secure and sustainable water supply. As the market operators for the non-household sector, I note the key role your organisation plays in providing an extensive data sharing platform, market insights and analytics and in ensuring the smooth operation of the non-household market.

Defra is supportive of the work that MOSL is leading through its business plan and strategy – including the Strategic Metering Review and work to improve the quality of data through the Data Assurance Service. It's clear that MOSL has stepped up the insight it provides to the market and its participants, through its publicly available dashboards and maps, to stimulate competition and enable retailers to work more closely with customers on their water usage.

We support this work and encourage you to go further in providing data insight to drive evidence-based decisions for customer and societal outcomes. We also recognise that customer segmentation is essential for understanding the different needs and behaviours of business customers – which are incredibly diverse - and for future resource planning and water efficiency interventions.

Initial report on data sharing

- Artesia Consulting report identified three potential options for [sharing granular consumption data](#)
- **Organic growth** – Wholesalers store customer data in their systems and develop individual data sharing processes, with ‘light touch’ governance as necessary
- **Central data hub** – a single, central data ‘hub’ is developed by a third-party, in which all consumption data is held and shared with the relevant parties
- **Peer-to-peer sharing** – data is shared based on an agreed set of rules (i.e. a ‘trust framework’ similar to mobile banking). The Artesia research recommends moving quickly to develop the next phase of the work as market participants are already requesting this data.
- Other options could consist of a hybrid or adapted version of one of the above

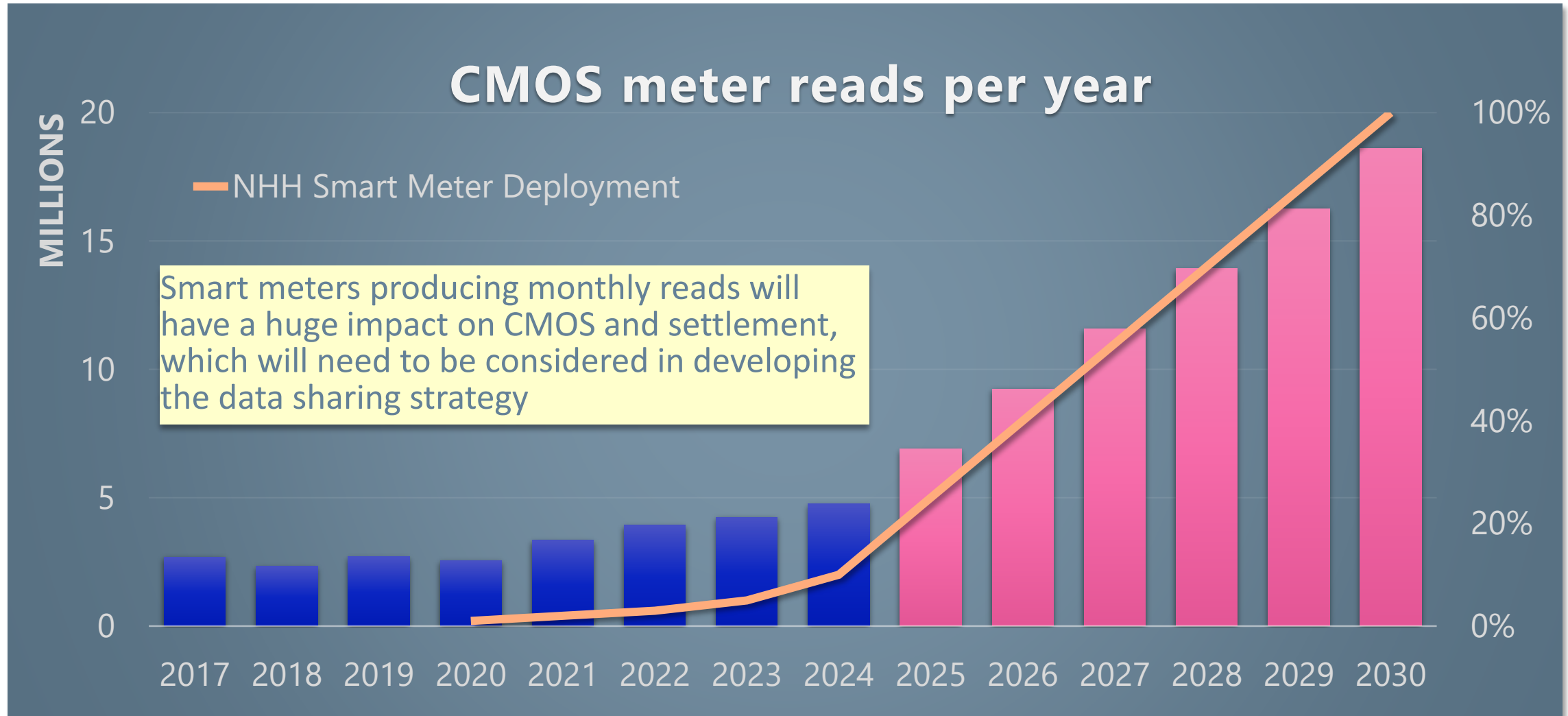


Gathering further input

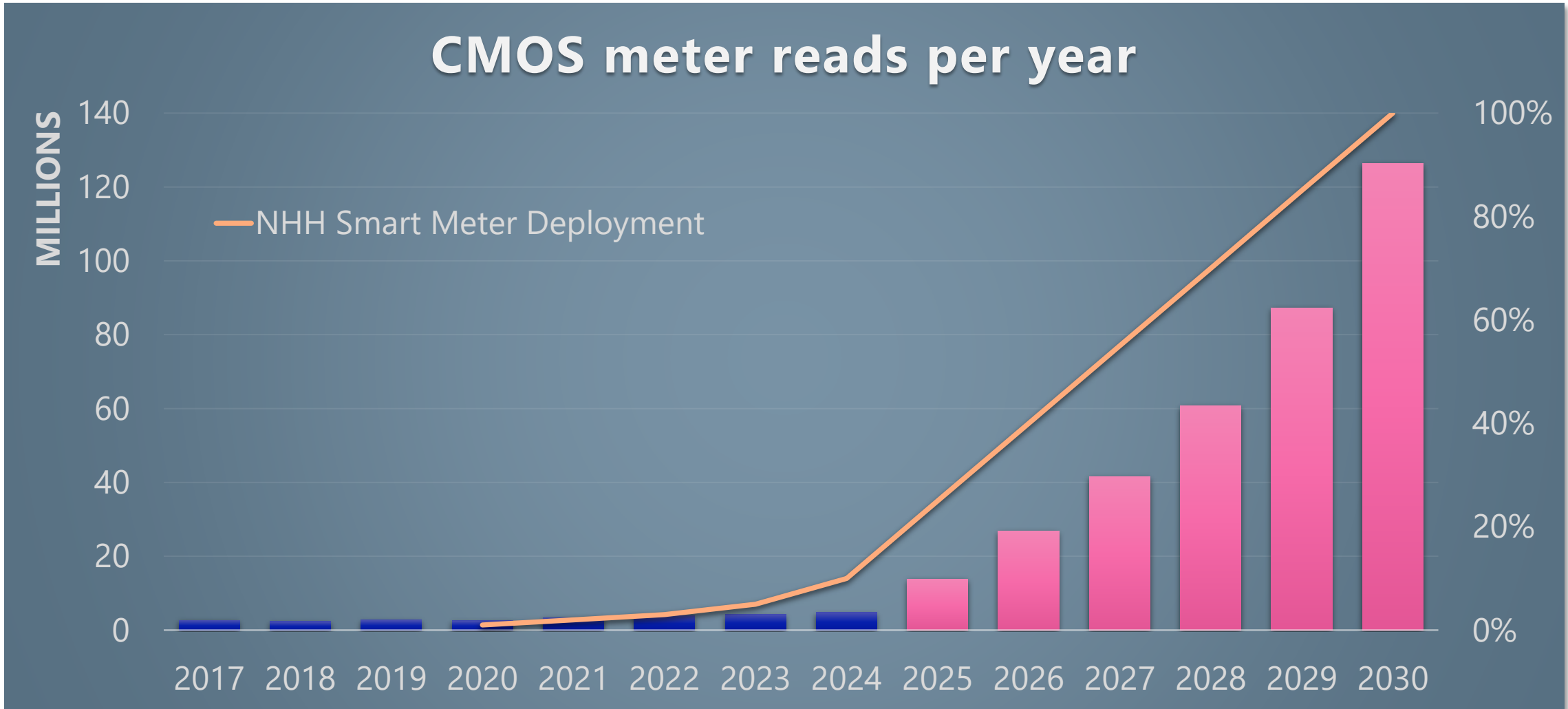
Following Artesia report and publication of the National Metering Strategy, MOSL's Strategic Metering Programme team has been working with the Metering Committee to gather further input:

- **Current systems and processes:** RFI issued to all wholesalers to gather data on current data sharing systems, processes and future plans, as well as current 'pain points'. [Strategic Metering Programme Data Sharing RFI results](#)
- **Deep dives:** Targeted wholesaler visits to Thames Water and Anglian to help understand positions, given these two companies are furthest along their smart metering roll out journeys
- **Consider CMOS strategy and needs:** Reviewing CMOS challenges and needs and ensuring alignment with market systems strategy with MOSL digital colleagues and CIO
- **Potential 'use cases':** [Custerian report](#) commissioned on 'use cases' for data within NHH market, including granular consumption data

Monthly meter reads – Seasonal Tariffs



25% daily reads by 2030 – Smart Settlement



Gathering input - Custerian report on 'use cases'



[Custerian Report](#) (p26) identified 14 potential uses cases for smart meter data from discussions with wide range of stakeholders

Top Use Cases – Detail in Approximate Priority

These are talked about in the context of what they are interested in now and in the future

Use case are similar to a Russian Doll, in that they can almost all be contained under one, that of 'Consumption Reduction' In the main the Market Participants view that if it is do do with operating efficiency/effectiveness or driving competition, that is their remit, whilst MOSL should focus on facilitating Collaboration, through for example market wide comparison.

1. Billing Accuracy to facilitate timely and a more flexible Settlement	The amendment of CMOS in terms of improved accuracy and where & when available through for example smart metering more data more frequently which will allow Market Participants to settle on a more frequent/granular basis with reduced administrative overhead.
2. Water efficiency benchmarking and targeted interventions	Using disaggregated consumption data to compare similar customers across regions, identify anomalies, and enable targeted outreach and water efficiency services by Retailers, Wholesalers.
3. Leakage detection and reduction	Leveraging smart meter data to identify continuous flows indicative of leaks, both in utility networks and on customer premises, to drive proactive leak repair.
4. Incident management and response	Using real-time consumption data to identify high-usage customers to prioritise for shut-off during network incidents or maintenance events.
5. Vacant property identification	Flagging vacant properties based on lack of consumption to avoid unnecessary billing and enable accurate forecasting.
6. Water scarcity and risk mapping	Overlaying geospatial consumption data with water resource and scarcity information to assess long-term supply risks and target investments.
7. Consumption forecasting and network planning	Analysing historical usage patterns and segmentation data to more accurately predict future demand and optimise network operations and maintenance.
8. Tariff design and impact assessment	Combining smart meter data with customer segmentation to design more targeted and effective tariff structures, and to measure the impact of tariff changes on usage behaviors.
9. Market performance reporting and benchmarking	Providing a central, standardised view of key market performance metrics to enable transparency, comparability, and drive improvements. Specifically in addition to current analysis.
10. Customer segmentation and targeting	Enabling more granular analysis of usage patterns by customer type, size, or industry to support development of tailored products, services, and engagement strategies.
11. Data availability to enable more open innovation	Linked to the need to define Open Data. This is about making data available to, for example developers and property management, so that it is within their data activities aimed at product & service innovation.
12. Time-of-use tariffs and dynamic pricing	More Granular data (e.g. hourly or sub-hourly) enabling the development of time-of-use tariffs or dynamic pricing models to encourage a shift in usage to off-peak periods, similar to those used in the energy sector.
13. Smart metering services	This is about using the wider Smart Metering data, for example around meter performance and installation. This could be to monitor roll-out and/or enable new entrants to offer additional services e.g. meter servicing.
14. Providing customer-level consumption benchmarking and insights	Enabling customers to compare their usage against similar organizations and best practices on areas such as usage reduction. Combining water consumption data with other relevant data sets (e.g. property types, business activities) to generate richer insights.

Use cases – two key overall themes

Billing & settlement

Using smart meter readings to improve accuracy of bills and settlement – under current market framework but also fit for purpose for future too (e.g. more innovative tariffs).

Ensure reads can be used for settlement and easy to access by retailers.

1. Billing Accuracy to facilitate timely and a more flexible Settlement

Improving accuracy of settlement. Enabling easy access to data from retailers to ensure smart meter data can drive more accurate customer bills.

12. Time-of-use tariffs and dynamic pricing

More Granular data (e.g. hourly or sub-hourly) enabling the development of time-of-use tariffs or dynamic pricing models to encourage a shift in usage to off-peak periods, similar to those used in the energy sector.

Demand reduction, enhanced Services

Using analysis of granular consumptions data from smart meters to prepare consumption benchmarks, reduce leakage, drive water efficiency and provide improved customer services. See example Custerian use cases below

2. Water efficiency benchmarking and targeted interventions

Using disaggregated consumption data to compare similar customers across regions, identify anomalies, and enable targeted outreach and water efficiency services by Retailers, Wholesalers.

3. Leakage detection and reduction

Leveraging smart meter data to identify continuous flows indicative of leaks, both in utility networks and on customer premises, to drive proactive leak repair.

10. Customer segmentation and targeting

Enabling more granular analysis of usage patterns by customer type, size, or industry to support development of tailored products, services, and engagement strategies.

Design considerations – initial thinking

- **Where are we now – two key challenges:**

1. CMOS front end near capacity – to use monthly reads for settlement as smart meters roll out, we need to manage how reads are fed into CMOS
2. Wholesalers are sharing data with Retailers (many to many) in a number of different ways – this variety will increase as more rollouts start. This adds complexity and inefficiency, as per Bilateral Transactions

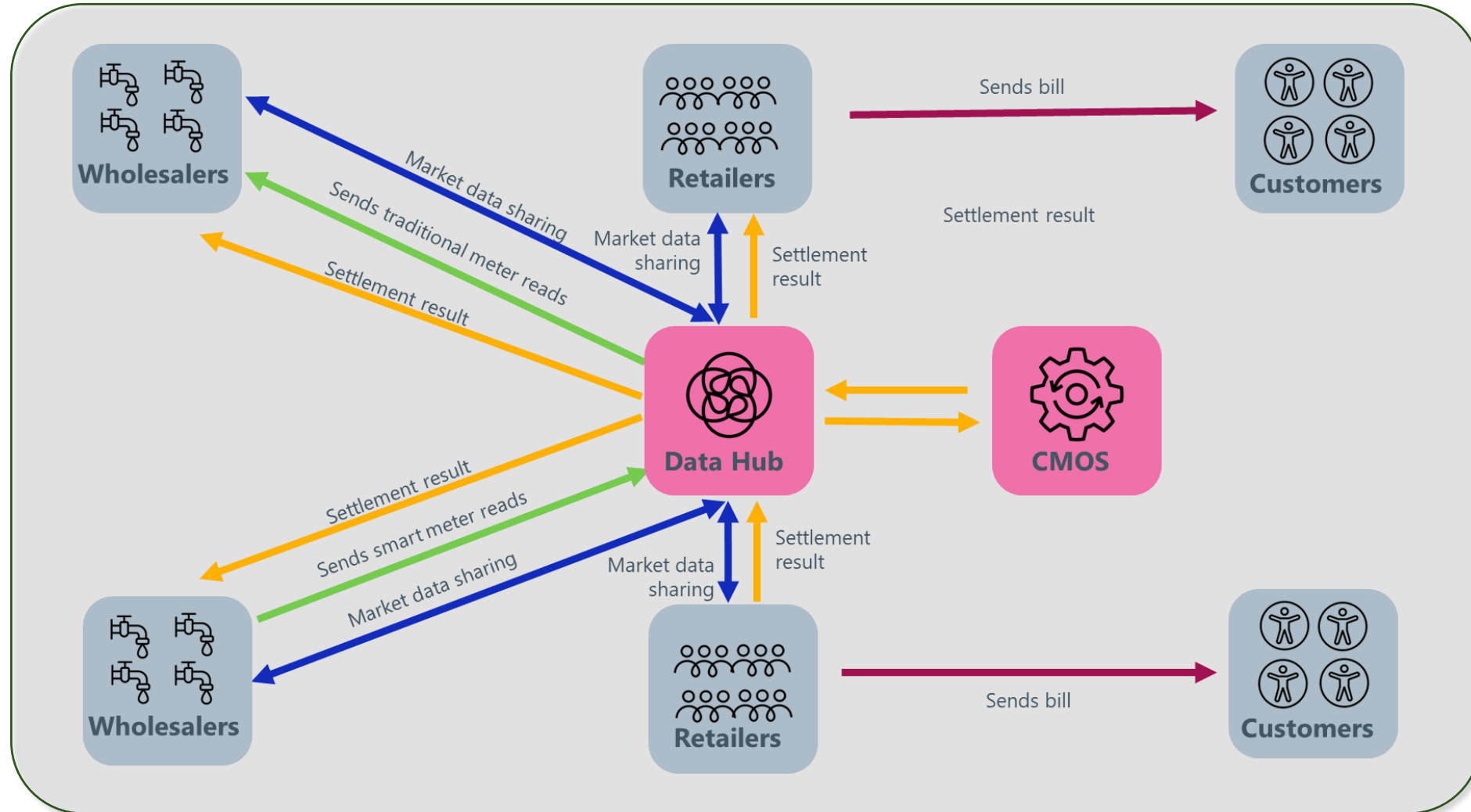
- **Implications – initial focus on billing and settlement:**

- To ensure smart meter data can be used for more accurate customer bills and settlement, action is needed
- A central hub that stores data temporarily could solve these challenges – wholesalers would feed data in via a standard approach (e.g. an API) and retailers would access data from one source (again, through an API)
- Data would then be fed into settlement in a controlled way.
- The hub would not hold data over the long term – as this would create duplication with wholesaler systems.
- Data would be held for a reasonable period that retailers may want access for, e.g. a year.

Design considerations

- Can solution that meets billing data and settlement needs also deliver on other use cases
- How should we evaluate other use cases – could they be part of initial phase or come later?
- What are the data sharing and storage requirements?
- Access rules and DPIA and GDPR considerations?
- Delivery and supplier options?
- Funding options?
- What are additional costs of holding more granular data (e.g. hourly)?
- What are additional costs of holding data for longer (3 mths, 6 mths, 1 year, 2 years..)?

Industry data hub



Next steps - timeline

Activity	Date	Requirement
Trading party meetings	Sep	Explore initial thinking with more TPs to better understand needs
Requirements document	Oct	Detailed requirements gathering to help better define potential solutions
Outline Business Case	Sep-Nov	Sets out problem statement, options, possible solution, benefits, high level costs, proposed costing framework and other considerations
Metering Committee review	Nov	MC review and endorsement of outline business case
Strategic Panel review	Nov	Panel review outline business case and approve to progress
Consultation	Jan-Feb	Consultation on proposed solution, delivery route, funding
Full Business Case	Dec-Feb	Develop Full Business case including benefits, delivery plan, funding
Strategic Panel sign off	March	Panel review and sign off delivery and funding – move to delivery including necessary code change process

Note: timeline beyond outline business case is indicative and will depend up solution being proposed – more complex, costly or extensive solution may require a longer timeline. Will need to balance this against benefits from earlier delivery

Questions?

???





Market Improvement Fund round four



The Market Improvement Fund

- The only fund dedicated to improving the business water market.
- Created by the Strategic Panel and administered by MOSL
- Funds projects that tackle market frictions to benefit the market, its customers and the environment
- Encourages pilots, research and accepts risk
- Awarded over £2.4m to 16 projects since 2021.



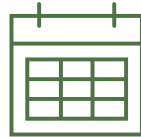
Round four: What you need to know



Who can apply?

Trading parties, industry groups, third parties...

Applicants must be sponsored by a trading party or MOSL



When does it open?

Application window:
17th – 28th February
2025



How much is available?

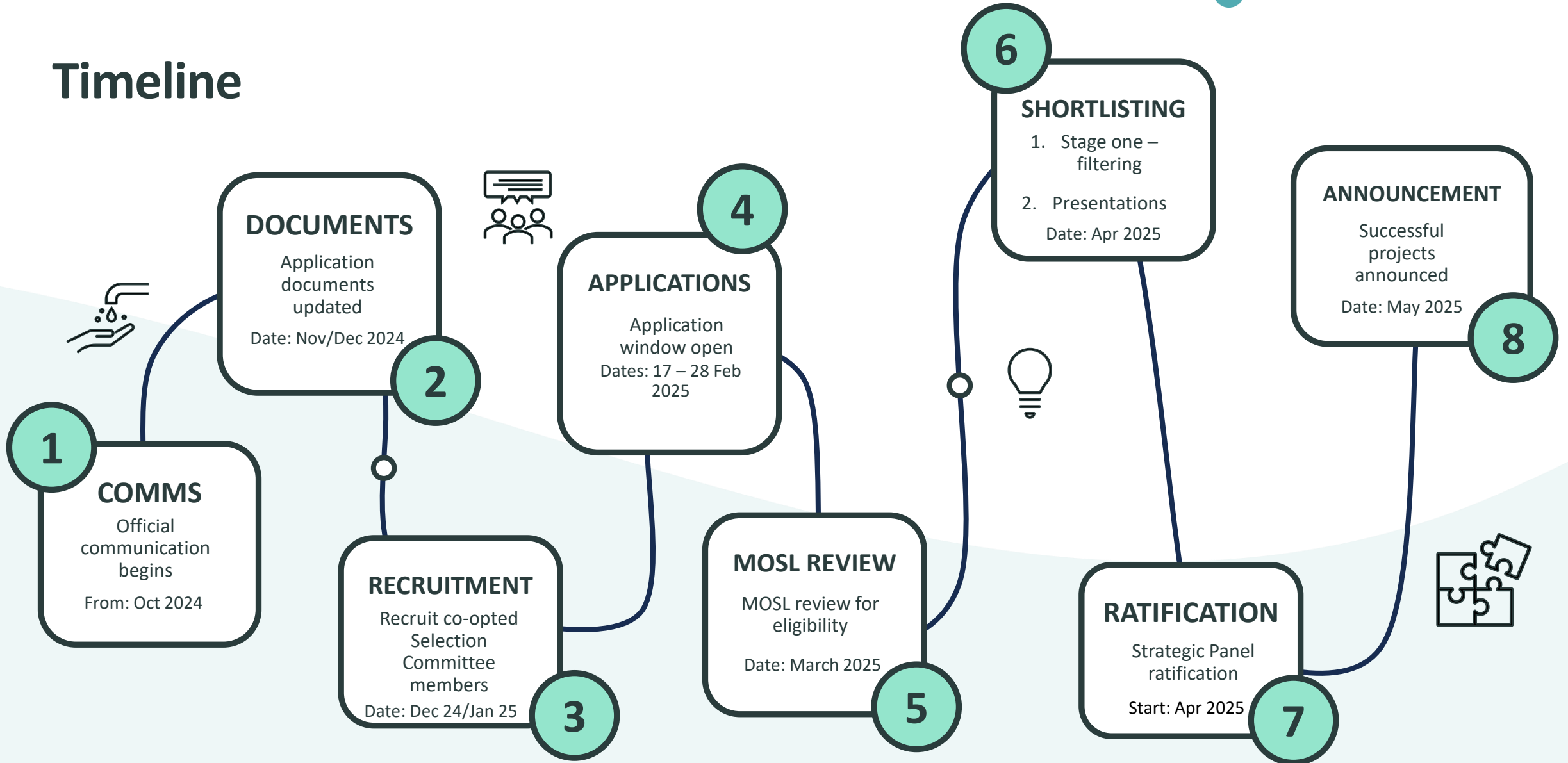
Up to £200k from a
£1m fund



What type of project?

- Improve the market
- Not BAU
- Benefit the market as a whole
- Aligns with Strategic Panel priorities and/or Roadmap to a Flourishing Market

Timeline



Follow up fund

- Feedback showed a desire for projects to continue after closure, having demonstrated additional benefit or scope to scale up the project.
- Round four applicants can apply for an additional sum (up to 50% of their initial funding allowance), subject to a separate application – including a strong business case.
- More information will available soon.



Want more information?



Sign up to receive Market Focus emails



Read Market Focus or the MIF webpage



Submit an Expression of Interest or email MIF@mosl.co.uk

Questions?

17th October 2024

RWG Update

Fallon Wilkinson
Mike Rathbone



RWG Governance

- Steering Group membership
- Good Practice Guide Approval Process
- Review of Governance Framework



RWG Subgroups

Sub-group	Current Scope/Purpose
Access	Explore and capture good practice between Trading Parties in gaining access to customer premises
Customer contact details (NEW)	Review previous work, including Code change proposals, RWG Good Practice Guides and consultation responses received as part of the recent Ofwat consultation on the proposal to mandate retailer provision of emergency customer contact details within CPCoP, to establish the best options to deliver this vital service to customers.
Customer Service / complaints	To ensure a consistent customer-first approach to the market, including how customer complaints are handled by trading parties.
Drought	To provide a central view to retailers of wholesalers' drought status; clear and consistent application of drought restrictions to non-household customers; a NHH feed into wider National Drought Group activity such as UKWIR Drought Code of Practice review
Eligibility	Providing clarity around eligibility of premises for the non-household water market, exploring edge cases and striving for harmonisation of approaches across the country.

RWG Subgroups

Sub-group	Current Scope/Purpose
Planned and unplanned events	Standardisation of approach for unplanned and planned events, including terminology and data format, and agreement on roles and responsibilities.
Settlement	To agree a standard process for payments that fall outside of the usual settlement process (i.e. that fall into the 'deadzone'), to enable customers, and retailers, to receive credits in a timely manner.
Smart Meter Roll Out (NEW)	Create a document which sets out a common approach for the market to ensure the roles of wholesalers and retailers in the roll out of smart meters is clear and to facilitate a smooth roll out for customers.
Tariffs	To investigate how to simplify the existing primary tariff structure in the non-household water market.
Water Efficiency	The Water Efficiency sub-group oversees the development and delivery of an industry led water efficiency action plan, which will deliver improved levels of water efficiency in the non-household market for the benefit of all water consumers and the environment.

MOSL support

- Delivering effective practical support to the Steering group and a number of active sub-groups
- Refining RWG systems and structures
- Increasing visibility of RWG
- Strengthening connection and alignment of activities between RWG/MOSL and Strategic Panel as appropriate
- Continuing access to subject matter expertise
- Initial Impact



Sam Mawby –
Governance MOSL



Sophie Turner –
Comms MOSL



How Can You Get Involved?

- Join a subgroup
- Suggest an idea for a subgroup
- Attend the next in-person RWG meeting on 4 December (Broadway House, London)
- To find out more or to book a place at the in-person event please email rwg@mosl.co.uk





RWIG

Debate: Meter Reading Obligations



17 October 2024

AOB & CLOSE

