

# Market Performance Framework

Performance Advisory Group – PAG16

22 February 2023

# Agenda – 2hrs (10am –12pm)

1	<b>Welcome</b>	<b>Chair</b>	<b>5 Mins</b>
2	Actions from previous meeting	Chair	5 mins
3	Review progress to date	Chair	5 mins
4	Update on overview of tools	Axelle Saada/ Janet Judge	30 mins
5	Overview of consultation 2	James Higgins/Axelle Saada/Janet Judge	30 mins
6	AOB	Chair	10 mins

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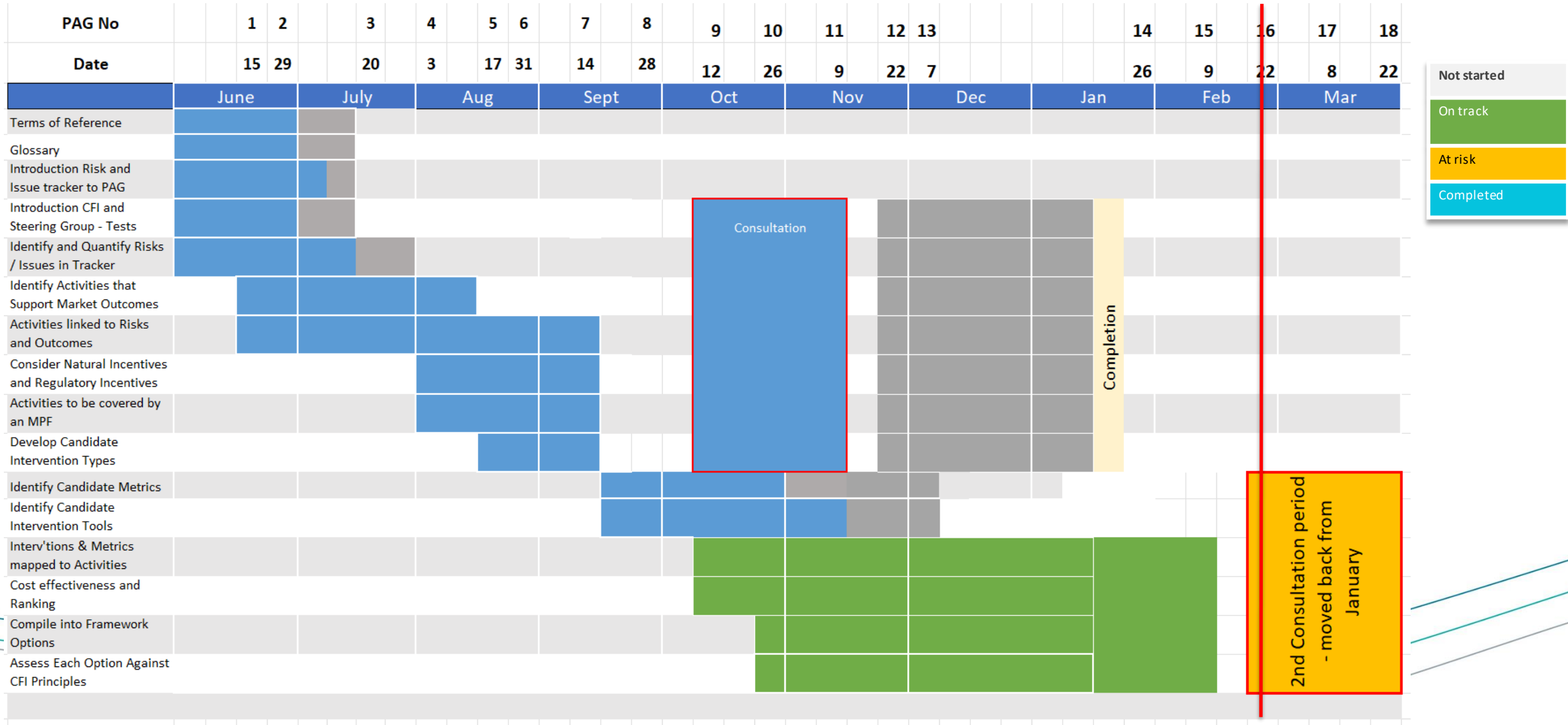
## Actions from Previous Meeting (1 of 1) to be updated

NO	Action required	Action by	Action Date
15/01	AS/JJ to update Template as discussed in PAG. (add Customer to stakeholders, the target audience are and who the tool is applicable too) will all be added to the templates.	AS/JJ	13/02/2023
15/02	PAG to request suggestions on priority of Tools for them to review	All	13/02/2023
15/03	Slide deck to be sent out for PAG to review missed slides and requested suggestions on particularly the yellow highlighted comments	MOSL	13/02/2023

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# Review Progress to date (1 of 1)



- Not started
- On track
- At risk
- Completed

2nd Consultation period - moved back from January

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# Update on overview of tools

- Now sharing with you the overview of [one-page tools](#) overviews that have now been drafted.
- More to follow this week.
- The team are happy for any feedback or suggestions.

Intervention Type	Tools Overview (1)	Tools Overview (2)	Tools Overview (3)
Audit & Assurance	<a href="#">Meter to Bank Market Audit OP.docx</a>		
Education	<a href="#">MO Guidance OP.docx</a>	<a href="#">Self-Serve On-line Training OP.docx</a>	
Limitation of service and access rights	<a href="#">Credit Cover Adjustment OP.docx</a>	<a href="#">Limitation of Central System Access OP.docx</a>	<a href="#">Removal of Voting Rights OP.docx</a>
Publishing peer performance comparison	<a href="#">Public Peer Comparison (vs target standard) OP.docx</a>		
Two-way payments	<a href="#">Annual penalty payments funding annual reward for out-performance OP .docx</a>		
Under-performance	<a href="#">Annual penalty payments OP.docx</a>	<a href="#">Monthly penalty payments OP.docx</a>	

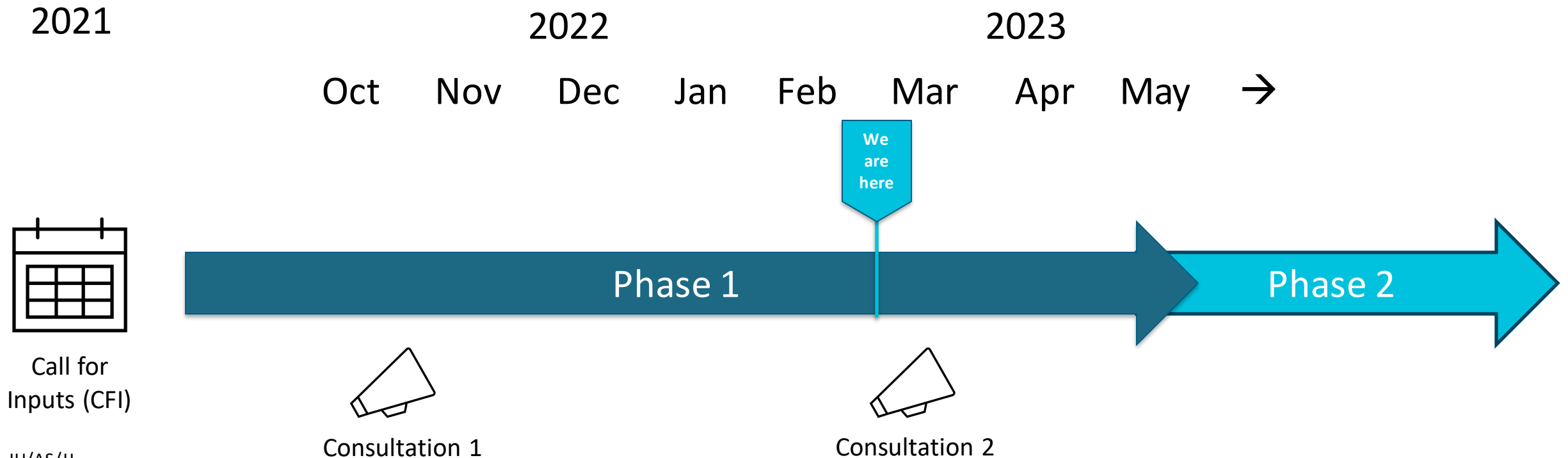


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# Consultation 2 timeline

- 💧 Consultation launch – Tuesday 28 February
- 💧 Webinar – Monday 13 March 2.00-4.00pm
- 💧 Deadline for written submissions – 6pm Friday 31 March



## A reminder of topics for feedback in consultation 2

At this stage MOSL is seeking feedback on the following areas:

- ◆ Candidate metrics for market activities and risks that could be used to monitor performance
- ◆ Candidate intervention tools that may be used to support delivery of the required performance
- ◆ The overarching process and governance framework that will be used to describe and manage decisions regarding operation of the new MPF



# Consultation questions

## Topic area

## Question

<b>Candidate metrics</b>	<p>1. Are there any metrics for a given activity that have not been shortlisted that should apply? Please explain your answer.</p> <p>2. Alternatively, are there any metrics shortlisted that you disagree with? Please explain your answer (this could be in terms of cost, accountability etc).</p>
<b>Candidate intervention tools</b>	<p>3. Are there any intervention tools missing? Are there any intervention tools we have shortlisted you do not agree with? Please explain your answer.</p> <p>4. Do you have any comments on any of the individual tools? Please consider the potential impact on trading party behaviour, customer outcomes or any unintended consequences.</p>
<b>MPF Governance</b>	<p>5. Do you agree with the concept of four decision-making layers to support the development of clear roles and responsibilities as MPF interventions are developed? Please explain your answer.</p> <p>6. Do you have any comments on the governance proposed? Please consider the organisation involved in your answer.</p>

## Overview of consultation 2

### MPF Tools sequencing

- ◆ Pre-market entry
- ◆ Regular (e.g. monthly, annually)
- ◆ Discretionary

# Overview of consultation 2

## Example application of MPF Tools

- All new market entrants required to undergo review to approve their capability to comply in delivery of activities
- This would include review of processes and systems to receive approval to operate with certified status

Activity ref.	Activity	
GS.9	Wholesalers efficiently maintain working/functioning assets, including meters which must be working accurately and be readable	
Type of tool	Intervention tools	Examples of metrics
Pre-market	Market entry assurance	N/A

## Overview of consultation 2

### Worked example of application of MPF Tools

- Once in the market, standard tools would be deployed regularly, on a defined frequency regardless of observed performance or compliance

Activity ref.	Activity	
GS.9	Wholesalers efficiently maintain working/functioning assets, including meters which must be working accurately and be readable	
Type of tool	Intervention tools	Examples of metrics
Standard	Public peer comparison (vs target /standard) (monthly)	M037 - Number of legacy long unread meters as a % of SPID numbers
	Penalty payments (monthly)	M012 - Repair or replacement of a faulty meter – number of B5 requests raised in the <u>bilaterals</u> hub and timeframe for resolutions
	MOT audit to retain certified status (annual)	M041 - Number of meter accuracy tests conducted per month + average accuracy

# Overview of consultation 2

## Worked example of application of MPF Tools

- These tools would be available to be used in the event of non-compliance or underperformance observed via market and performance metrics and the standard tools performance or compliance
- Some tools may work in combination e.g. targeted audit to review compliance and additional metrics to support rectification monitoring

Activity ref.	Activity	
GS.9	Wholesalers efficiently maintain working/functioning assets, including meters which must be working accurately and be readable	
Type of tool	Intervention tools	Examples of metrics
Discretionary	Targeted audits	<p>M005 - Analysis on meters recording inaccurately – number of volumetric adjustments where the code is meter and the length of period this covers,</p> <p>M012 - Repair or replacement of a faulty meter – number of B5 requests raised in the <u>bilaterals</u> hub and timeframe for resolutions,</p> <p>M041 - Number of meter accuracy tests conducted per month + average accuracy</p>
	Technical audit of metering records	
	MO guidance	
	Diagnostic metrics	
	Additional performance indicators	
	Rectification monitoring and escalation	
	Credit cover adjustment	



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## AOB Future meetings (1 of 1)

- 💧 Consultation webinar – 13 March
- 💧 PAG 17

Meeting Date	Discussion / Introductions / Endorsements
PAG 17 – 15 March 2023	1) TBC 2) Business Case approach & Strategic Business case
PAG 18 – 29 March	1) TBC