

#1 2022



Self-Supply Users Forum

17 March 2022

The Self-Supply community welcomed speakers from MOSL, the Strategic Panel, Anglian Water and invited guests to its Spring session.

Self-Supply customers are operating well beyond market basics, as shown in performance scores, and want to move onto adding value.

Key Takeaways:

1. Continued excellent performance across Self-Supply commercial and field operations.
2. Encouraging higher levels of wholesaler engagement to alleviate market frictions via Bilateral Hub.
3. Ongoing focus in the wider market on resolving fundamental market frictions.
4. Waterscan ready to support customers with new climate disclosure requirements.

Summary



Effective communication underpinned the first Self-Supply Users Forum of 2022. With the announcement of new groups, committees, working parties and collaborations there is a universal goal to bring people, processes and technologies together to resolve longstanding issues and begin to unlock value from the market for its customers.

Existing stakeholder engagement will play a key role in this and it's encouraging too, to see parties reaching outside of the industry for objective input and to hear that technology is being integrated into potential solutions.



Attendees:



WHITBREAD



JOHN LEWIS & PARTNERS

Sainsbury's



Blackpool Council

Incumbent retailers
are losing

1%

of SPIDs each year



MOSL

Martin Hall, MOSL Market Improvement Lead, outlined the market operator's strategic metering review following a report by Artesia Consulting. The aim was to assess what data is required to drive market improvement, what technology can deliver this, and relevant roles and responsibilities. The conclusion is that there is a strong cost/benefit business case to invest in metering technology and a recommendation that small consumption meters are switched to AMR or Smart AMI, and large meters are all Smart AMI.

MOSL is also collaborating with Leeds Institute Of Data Analysis on ways to improve wholesale/retail data sharing. This will improve benchmarking and consumption profiling.

A data and information roadmap will be published shortly.



Ofwat

A contribution to the meeting from the market regulator highlighted its fourth annual State of the Market report, published in December.

Key findings were:

- Outcomes for business customers differ based on their size, with benefits accruing more strongly to larger customers.
- Market awareness levels have decreased, with just 43% of customers aware they can switch provider. 73% of customers are satisfied with their current provider.
- Incumbent retailers continue to enjoy majority market share but are losing 1% of SPIDs each year to new market entrants.
- Significant progress on improving wholesaler-retailer interaction through the Bilateral Hub, but little progress on reforming the Market Performance Framework to resolve ongoing frictions.

Self-Supply continues to maintain a very strong market performance with an MPS of over

98%

and LUMs of over

1.6%

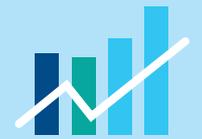


Market

Nick Hayes, Waterscan's Commercial Director, reported that Self-Supply continues to lead market performance with an MPS of 98.81%, ahead of internal targets set and the rest of the market.

Welcome wholesaler engagement and use of the Bilateral Hub over the last quarter is increasing efficiency and speeding up issue resolution.

Finally, he noted that holistic reporting was to be introduced by Ofwat and MOSL from 1st April which will facilitate more granular peer-to-peer comparisons.



Operations

Barry Millar, Waterscan's Operations Director, confirmed that David Lloyd Leisure had completed its switch to Self-Supply. In the short term, and as expected, this has had a temporary negative impact on LUMs across the combined Self-Supply estate, currently standing at 1.64%. This will be rectified within three months.

After halting retail and hospitality site audits in December, over 200 are being conducted each month. Civil engineering teams are also fully engaged on resolving underground leak repairs.

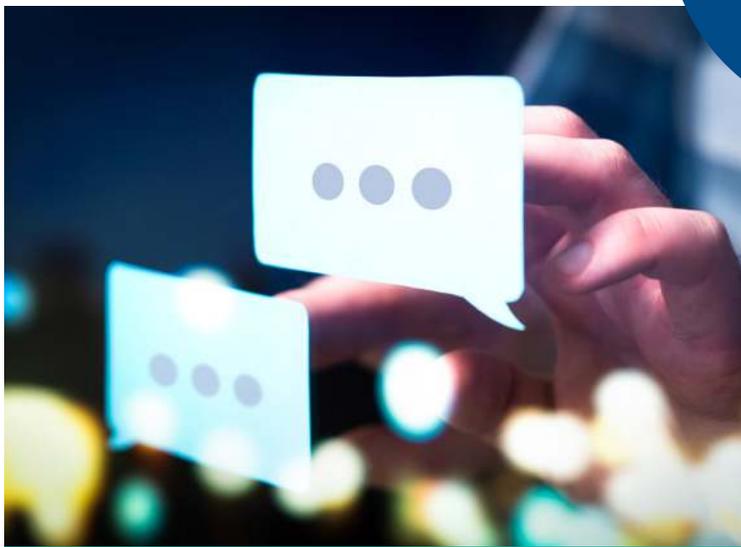
AMR performance is consistent with typical communication failure and recovery.



Credit

Syndiso Bango-Dube, Head of Market Development at Waterscan, reported that issues around credit arrangements for specific Self-Supply customers with South West Water had largely been resolved. The solution will work across the board, negating the need for all Self-Supply retailers to put large cash deposits down.

Syndiso has been appointed to the Approved Code of Practice committee, established to devise nationwide consistency on matters that sit outside the market code process (e.g. trade effluent and leakage allowances). This should resolve customer issues faster.



Anglian Water

Michelle Thompson, Anglian Water Continuous Improvement Manager, outlined the wholesaler's Project AMIDST (AMI Data Strategic Transfer) which seeks to future-proof technology and processes for the anticipated proliferation of AMI data across the market. Initially, the project will assess the feasibility and benefits of sharing smart meter monthly consumption data directly from wholesalers into CMOS, rather than via retailers.

Challenges include GDPR implications, data validation and rectification, roll-out and possible impacts on the customer settlement process.

Governance

Paul Smith, Independent Strategic Panel Member, outlined the new Strategic Panel's approach to unlocking progress in the market.

An initial priority to establish the Code Change Committee is complete.

The focus now is to set priorities, mindful of both DEFRA's and Ofwat's visions for the market but also the need to broaden stakeholder engagement. There are two priority themes. The first is to get the basics right by improving communication and data flows across the market, a non-negotiable necessity but it is recognised that there's still quite a way to go. The second goes beyond that to uncover opportunities to unlock value from the market.

It was noted that the Self-Supply community is operating well beyond 'the basics', as indicated by performance scores, and is ready to move on enhancing value.

Task Force on Climate Related Financial Disclosure is mandatory in the UK from April 2022.

Disclosure

Rebecca Gale, Waterscan Account Director, noted that Task Force on Climate Related Financial Disclosure (TCFD) becomes a legal requirement from April and that water risks should be considered. Requirements are aligned with CDP.

These include historic, trend and live data on:

- Water availability
- Flooding
- Embedded carbon
- Pricing

The Waterscan team is ready to provide the necessary insight and analysis and is working with a wide range of data sets to assist customers with effectively assessing their short/medium/long term risks.

