

New EMR Portal Update

February 2023

EMR Delivery Body

This webinar is recorded

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Introduction

EMR Delivery Body

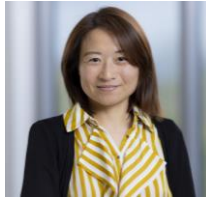
Electricity Market Reform (EMR) aims to deliver low carbon energy supplies whilst maintaining security of supply and minimising the cost to the consumer. EMR introduces two key mechanisms:

The Capacity Market (CM) aims to ensure the future security of our electricity supply at the lowest cost to consumers by providing a regular retainer payment to reliable forms of capacity, in return for such capacity being available when the system is tight.

Contracts for Difference (CfD) is to provide long-term price stabilisation to low carbon plant, allowing investment to come forward at a lower cost of capital and therefore at a lower cost to consumers.

We work closely with external customers, BEIS and Ofgem and other stakeholders through various industry work groups.

EMR Portal Management Team



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Current Portal

- Implemented to deliver the Capacity Market (CM) and Contracts For Difference (CfD) in accordance with the Energy Act 2013.
- It has been costly and time-consuming to implement policy/rule changes over the years
- Policy changes have been prioritised over user experience improvements leading to challenges with portal functionality & performance.

New EMR Portal

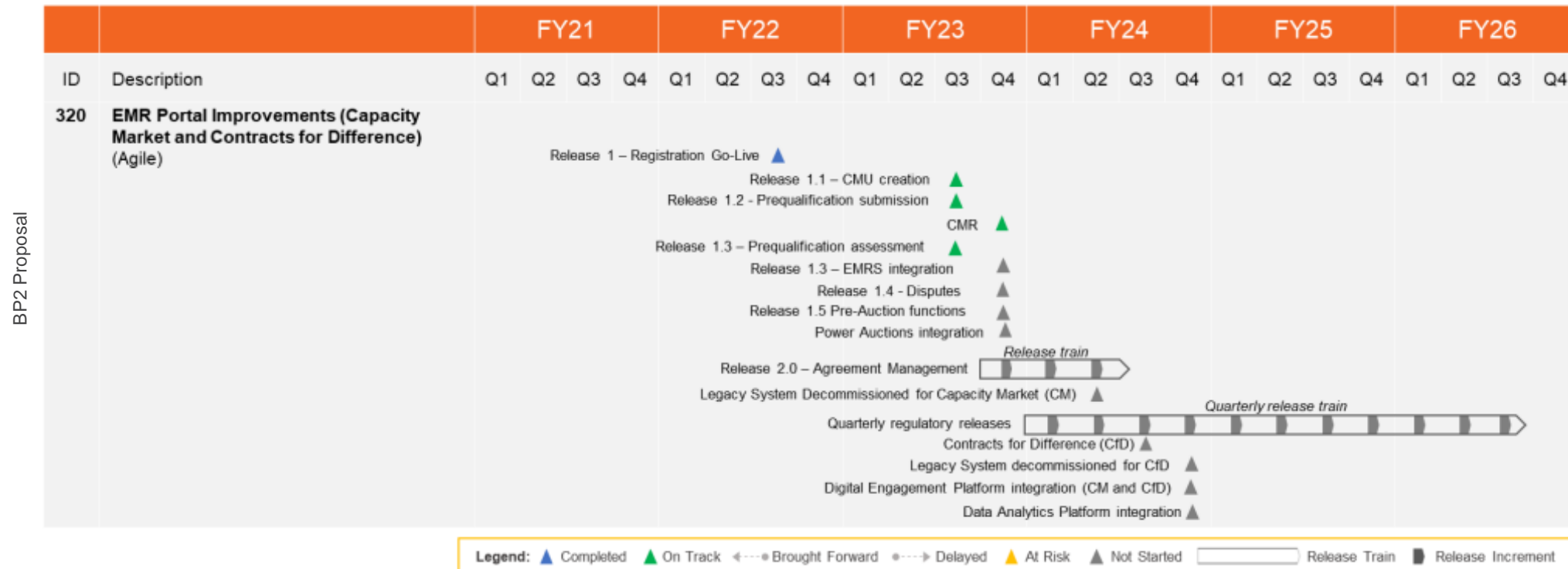
- Deliver a new portal that enhances EMR customer experience.
- Enable increased market participation and market competition.
- Enable delivery of future regulatory change at pace and cost-effectively.

Business Plan 1

- A phased implementation of the new EMR Portal for CM & CfD with all key processes delivered by the end of BP1 (March 2023).
- Continuous improvements to enhance the portal throughout the ESO RIIO-2 period.

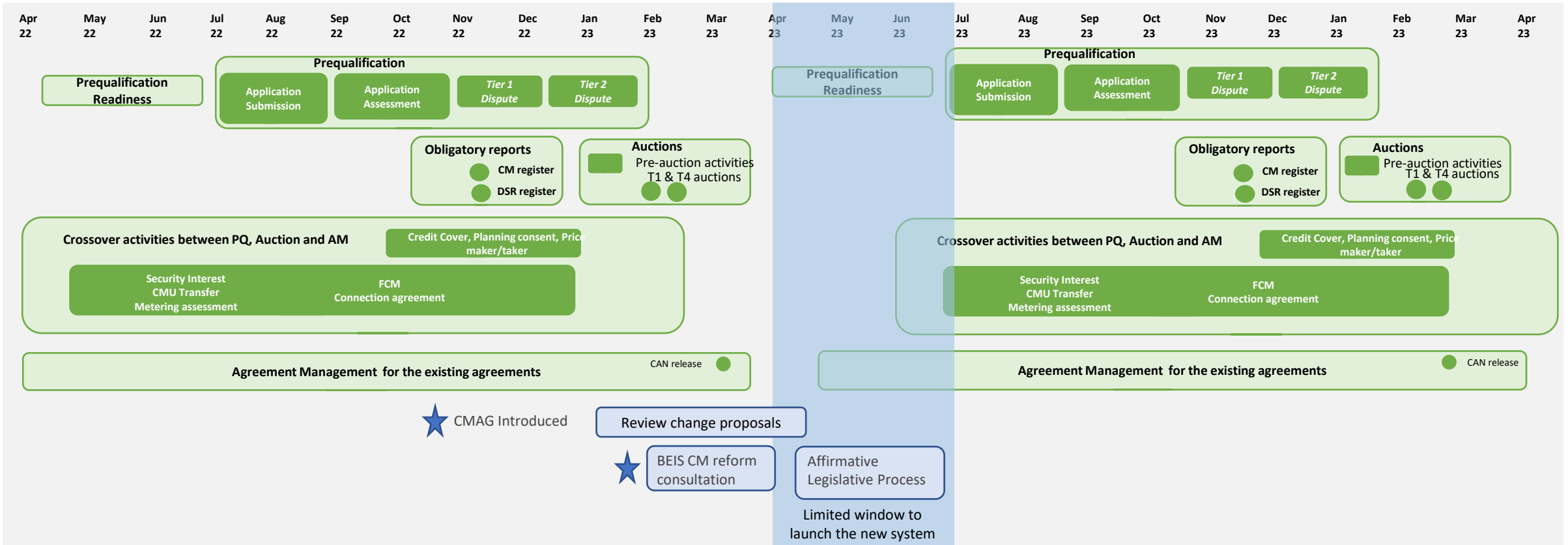
Business Plan 2 Submission

- CM functionalities deployed, with time given to customers to familiarise themselves with the system ahead of using in PQ 2023.
- Agreement Management (AM) processes deployed in phases ready for the Delivery Year (DY) starting in Oct 2023.
- CfD functionalities expected to be delivered by end 2023.
- In the submission, we stated that if the new portal is not fully operational for the CM process in FY24 that there would be a risk of a delay by a further year due to alignment with the operational deadlines of the CM process.



Challenges for the Project

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Internally

- **Enhanced understanding** of the complicated, prescriptive and agreement specific regulation & rules.
- **The delivery plan** has encountered challenges with the size and complexity of EMR processes, which has resulted in higher than expected customisation to the Salesforce platform.
- **The window** to launch the system is very limited with no margin for errors or slips adding complexity to the test & implementation.

Externally

- **Enhanced customer engagement needed**- customers require sufficient time to familiarise themselves with the system to de-risk of the operation of the CM process for the winter.
- **Regulatory landscape uncertainty** – Review of Electricity Market Arrangements (REMA) kicked off; BEIS’s CM regulation reform potential implementation for PQ 2023 and ongoing CMAG change proposals.
- **Process optimisation opportunity** – Review of processes with the Settlement Body has identified opportunities to streamline integration to provide an enhanced service collectively to CM Participants.

How are we addressing the project challenges



Collaboration

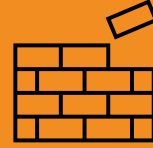
Strategic review of delivery plan options with stakeholders and customers.

Continued engagement to better understand proposed regulatory & rules changes.



Transparency

Quarterly update to keep EMR customers and stakeholders up to date and track how we are doing.



Governance

Implement new project governance process to monitor progress.

Continued executive sponsorship for the project.



Assurance

External consultants brought in to validate and provide assurance to the approach and support confidence in the delivery plan.



Resource

Increase dedicated resources working on the project with improved ways of working.

Criteria considered to assess different options

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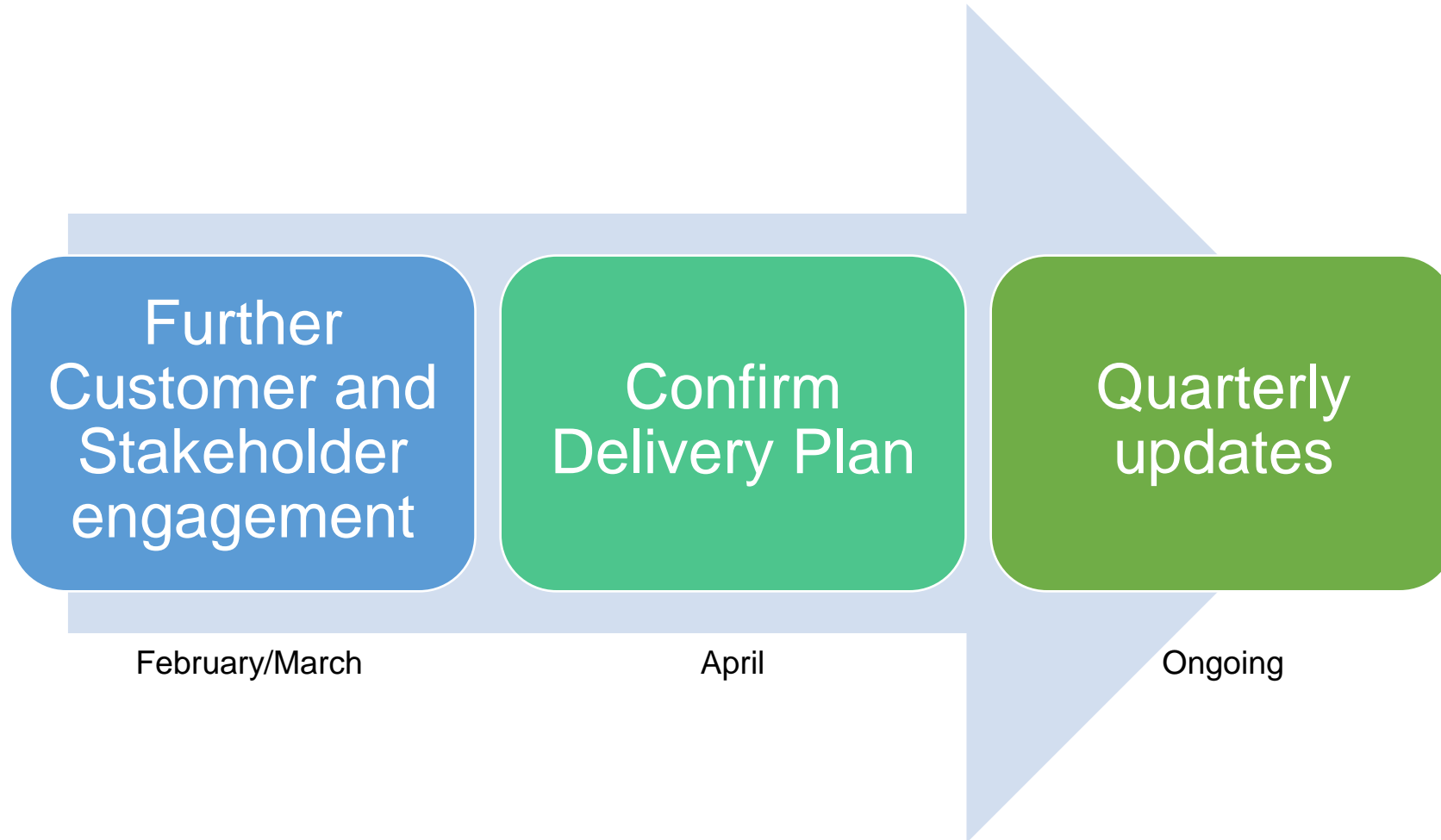
	Definition	Metrics	Importance
Legal/ Regulatory Compliance	<ul style="list-style-type: none">• Ensure ESO meets the obligations of all relevant regulations, rules, licence and business plan obligations and does not increase compliance risks.	<ul style="list-style-type: none">• RIIO-2 plan delivery.• Rule/licence compliance incidents.• Offline processes integrated in to new portal.	<ul style="list-style-type: none">• High
Enables quicker / cheaper change	<ul style="list-style-type: none">• Enables flexibility required to implement future change.	<ul style="list-style-type: none">• Equivalent cost of functional change delivery to the existing and new portal.• Time taken from requirement to implementation.	<ul style="list-style-type: none">• High
Enhanced Customer Experience	<ul style="list-style-type: none">• Delivers benefits to customers, stakeholders, delivery partners and consumers through an improved user experience.• Enables the opportunity for customers to provide feedback and familiarise themselves with the portal prior to operational use.	<ul style="list-style-type: none">• Customer satisfaction survey on Portal.• Reduces customer pain points.• Enables self-serve.• Evidence that customer feedback is considered & integrated in the new portal.	<ul style="list-style-type: none">• High
Delivery Cost	<ul style="list-style-type: none">• The extent that the cost of the programme aligns with the investment proposal in BP2 including risk margin.	<ul style="list-style-type: none">• Outturn cost against approved Business Plan allowances.	<ul style="list-style-type: none">• Medium
Project Delivery efficiency	<ul style="list-style-type: none">• Maximises efficiencies in the overall project delivery plan.	<ul style="list-style-type: none">• Complexity and time required in data migration from the current to new portal.• Requirement for duplication of processes between existing and new portal processes.	<ul style="list-style-type: none">• Low

Delivery Plan Options - Summary

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	Pros	Cons	Viable for Delivery?
1. Deliver all CM processes in time for Prequalification 2023	<ul style="list-style-type: none"> The new portal can be used for PQ and AM from 2023 Prequalification onwards. 	<ul style="list-style-type: none"> Minimal opportunity for customer feedback and familiarisation. Requires major reduction in scope of the 2023 release, with a high backlog of future change to deliver across BP2. High likelihood that the delivery plan will fail. Restricts delivery to "As is" business processes, reducing the opportunity for process improvements. 	<ul style="list-style-type: none"> No – not enough time to implement, high process risks and does not enable customer familiarisation.
2. Deliver the new Prequalification processes for 2023, Agreement Management on existing portal until post Auction 2025.	<ul style="list-style-type: none"> The new portal can be used for PQ in 2023. Enables the 2023 operational timeline to be met. 	<ul style="list-style-type: none"> Relies on Prequalification and Auction data being migrated back to the existing portal at significant additional cost. The existing and new portal will have to run parallel to each other, requiring a duplication of processes leading to risk of errors Extended long release period for AM functionalities 	<ul style="list-style-type: none"> No – migration of PQ data back to the old portal not feasible in the time available.
3. Deliver the new Prequalification processes for 2023, Agreement Management on existing portal until post Auction 2024 <u>with parallel processes manually replicated.</u>	<ul style="list-style-type: none"> The new portal can be used for 2023 Prequalification. Enables the 2023 operational timeline to be met. 	<ul style="list-style-type: none"> The existing and new portal will have to run parallel to each other until CAN release post Auctions in 2024. Customers and the Delivery Body would need to repeat some business processes in both systems leading to a risk of error and data integrity challenges. Still requires a reduction in the scope of the initial release, especially to support delivery of PQ rule changes for 2023. 	<ul style="list-style-type: none"> Possible– subject to manual synchronisation processes.
4. Go live with full CM end-to-end process in 2024.	<ul style="list-style-type: none"> More customer engagement in the full End to end process via dedicated requirement validation and familiarisation processes. Does not require any parallel run. Enables delivery of BEIS changes & CMAG priorities 	<ul style="list-style-type: none"> New portal won't be available for the PQ round 2023. Need to implement regulatory changes due in 2023 in the existing system for PQ. 	<ul style="list-style-type: none"> Yes
5. Stay with the existing system	<ul style="list-style-type: none"> The existing portal is understood by customers. Provides assurance that the operational plan can be delivered. Enables delivery of priority BEIS changes for PQ 2023 	<ul style="list-style-type: none"> Won't include the user experience improvements that the Salesforce product offers. Challenge of delivering future changes quicker & cheaper. Upgrading the portal in the future will be more complex. Stranded investment in the new portal to date. 	<ul style="list-style-type: none"> Yes

Next steps



Continuing the Conversation

In addition to feedback received today, we are keen to hear from you with any additional feedback you may have on the New Portal and Delivery options.

Email Richard.Griffiths@Nationalgrideso.com

If you are interested in joining the dedicated **New Portal User Group**, please email us on box.NewEMR.ITteam@nationalgrid.com

Questions & Answers

Thank You
Session Feedback