

Implementing Retail Competition in Scotland

Workshop 13 June 2012
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CMA



CMA

- Governance
- Technical Panel and change process
- Market processes and systems
- Settlement

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Governance

- Scottish Water founding member
- Member of CMA Board
- External non-exec
- Users have no visibility of the workings of the CMA Board
 - Apart from the annual Market Audit
- Market Audit
 - Important feature of the market
 - Findings published to each participant
 - Typically review process and data
 - Audit plan
 - SW's plan monitored by its Audit Committee



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Supports Technical Panel and market change process

- The change process works
- Participants can submit change proposals
- Commission also proposes changes
- All proceedings transparent, published by the CMA
- Meetings timetable published in advance
- Market arrangements require a planned approach
 - Changes to SW tariff structure has CMA system implications
 - CMA systems changes may impact market participants



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Market change process

- CMA conducts Impact Assessments
 - Process encourages detailed specification and removes ambiguity
 - CMA proposes technical solutions
 - Also release timetable – not a TP decision
 - Two releases per year
 - CMA publishes detailed specifications in advance of releases
 - Timescales can be very tight
 - Narrow development window for participants



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Market processes and systems

- Open Monday to Friday, working hours
 - Out of hours working can be requested if required
 - Generally not an issue
- Users very dependant on systems being available
 - Otherwise have to stop activities
 - SW monitors system responsiveness
- SW and LP interactions to complete some flows
 - Sequencing can at times offer challenges
- Market assurance process rigorous
- Ongoing SW systems changes may need to be tested with CMA



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Settlement

- In early days, some teething issues
 - Market participants worked together to resolve
- Planned programme of resolutions
- Can still have unforeseen scenarios
- SW confident in the calculations undertaken by the CMA
 - CMA not responsible for data quality



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Summary

- CMA carries out the function set up to do
- Acts independently of any one participant