

RECCo's Draft Strategy and Forward Work Plan for 2022- 2025

Questions and Answers

Q **CSS Figures** start 2023/24, but CSS goes live this year (2022/23), so why are figures not accounted for this year ? Are Parties paying both RECCo and CSS or just RECCo once CSS goes live?

A RECCo will have operational responsibility for CSS and GES from go live in Summer 2022. RECCo will fund the GES costs from that date but have agreed to assume CSS funding obligations from April 2023. Until then DCC will continue to recover the CSS costs directly through its charges.

CSS costs will crystallise from April 2023 onwards. The values included reflect the best estimate of these costs at this time. RECCo is awaiting confirmation from DCC of the rough order of magnitude of costs. RECCo has agreed a process which will allow for REC Board input into setting the annual CSS budget, a payment profile that enables DCC to manage its risk, all CSS change costs are funded through the RECCo change process and change budget (rather than through a separate change budget managed directly by DCC) and their annual budget should not contain any contingency. This represents a significant departure from the funding arrangements under SEC.

Q **Market-wide Half Hourly Settlement** line shows a figure in the 2024/25 line, so does that mean Parties are paying twice to RECCo and BSC?

A RECCo's role in MHHS is still under development and discussion. Ofgem consulted on the most appropriate enduring governance arrangements for MHHS on 20th January 2021. This may be the REC rather than the BSC (Balancing and Settlement Code). Therefore, for planning purposes, the projections for 2024/25 reflect an allowance for funding the MHHS service provider costs. This cost allowance will fall away if the BSC is considered the best governance custodian for MHHS.