

Information for new stakeholders not currently in the disclosure arrangements

1. In our decisions on the credit SMNCC (Smart Meter Net Cost Change) and PPM (pre-payment meter) SMNCC allowances^{1,2}, published on 5th August 2021, we outlined that we intend to publish a short consultation in the autumn to seek stakeholder views before confirming decisions on the SMNCC allowances for cap period eight (1 April to 30 September 2022) onwards.
2. This letter sets out the disclosure arrangements for those consultations, **for stakeholders who did not participate in the disclosure for the April 2021 SMNCC consultations**

Context

3. In April 2021, we published consultations on setting the credit and PPM SMNCC allowances. Given that our proposals rely on detailed modelling and analysis, we disclosed the key models and data that underpin our proposals via confidentiality rings, in order for stakeholders to fully understand them ("**late-Spring disclosure arrangements**").
4. We are offering an extension of the confidentiality rings from the late-Spring disclosure arrangements, so that the disclosed materials may be used to review the Autumn 2021 consultations and subsequent decisions. As part of this, we will also provide a revised schedule to include the SMNCC model to participants and redefined Permitted Purpose.
5. We outline the process below for stakeholders who wish to participate in this extension; we intend that this is a similar process to the late-Spring disclosure arrangements.
6. **This does not apply to you if you participated in the late-Spring disclosure arrangements.** Instead, you will find separate guidance at '*Information for stakeholders already participating in the late-Spring 2021 disclosure arrangements*'.

¹ Ofgem (2021), Price Cap - Decision on credit SMNCC allowance <https://www.ofgem.gov.uk/publications/price-cap-decision-credit-smncc-allowance>

² Ofgem (2021), Price Cap - Decision on PPM SMNCC allowance <https://www.ofgem.gov.uk/publications/price-cap-decision-ppm-smncc-allowance>

Participating in the Autumn 2021 disclosure arrangements

7. During the consultation period, we will disclose, through two confidentiality rings (the “SMNCC & PPM Confidentiality Rings”):
 - our modelling (“Disclosed SMNCC & PPM Model”) to suppliers and their advisers. This includes the full and revised SMNCC model, in the form which underpins our proposals.
 - underlying data (“Disclosed SMNCC & PPM Data”) to the advisers representing suppliers. This includes underlying data that we have used to calculate inputs in the SMNCC model. This is principally data about individual suppliers and is commercially sensitive, so we cannot provide it directly or indirectly to suppliers.
8. If we consider it helpful to provide additional data during the consultation process, we will add it to either the Disclosed SMNCC & PPM Model or Disclosed SMNCC & PPM Data schedules as appropriate.
9. Access to the SMNCC & PPM Confidentiality Rings is provided for the “Permitted Purpose” that is the sole purpose of allowing stakeholders, and/or those on behalf of stakeholders, to review and understand the information underpinning our proposals, in order to:
 - prepare submissions and representations to the consultation; and
 - to enable the stakeholder (if relevant) to prepare and conduct an appeal against any decision we take in connection with the consultations, including an appeal in which the stakeholder is, or is intending to apply to be, an intervener.

Compliance Documents

10. We require stakeholders and each of their advisors to set out in separate “Compliance Documents” how they will comply with the terms of the SMNCC & PPM Confidentiality Rings. That Compliance Document should describe the arrangements each party has in place to keep the disclosed material secure. At a minimum, the Compliance Document should explain, briefly:
 - Security Arrangements: Processes to store electronic and physical copies of the disclosed material, and in doing so maintain their confidentiality in accordance with the Undertakings.

- Working Environment Arrangements: Processes to ensure that Authorised Attendees can work on the disclosed material and discuss their contents, and in doing so maintain their confidentiality in accordance with the Undertakings.
- Support Arrangements: Processes to ensure that Authorised Attendees are aware of their responsibilities and the arrangements the Relevant Party has in place, that sufficient monitoring and governance is in place to maintain confidentiality, and that support and guidance is available to authorised Attendees.

11. In assessing these arrangements, we will take into account the current circumstances relating to the coronavirus pandemic and the impact it has had on stakeholders. We are aware stakeholders (and their advisers) have instituted arrangements for working from home or may institute a partial return to the office, including where their staff or advisers have confidential data. We expect that information protection measures put in place to take into account working from home arrangements may be suitable for our purposes. Stakeholders need only describe how they would apply those protections in the context of the confidentiality rings.

Undertakings

12. Alongside this note we have published the undertakings for those who wish to participate in the confidentiality rings. Stakeholders should review those documents to consider the detailed arrangements.

- The Relevant Party Undertakings and Authorised Attendee Undertakings relate to the Disclosed SMNCC & PPM Model.
- The Firm Undertakings and Consultant Undertakings relate to the Disclosed SMNCC & PPM Data.

Process for disclosure

13. Stakeholders wishing to participate in the SMNCC & PPM Confidentiality Rings should:

Deadline	Activity
As soon as possible	Register interest by emailing retailpriceregulation@ofgem.gov.uk , specifying whether they seek access to the Disclosed SMNCC Model, Disclosed SMNCC Data, or both.

By Wednesday 15 th September 2021	Provide a draft Compliance Document for review by Ofgem. Provide names, roles, and contact details (email addresses) for proposed Attendees and proposed Consultants
By Friday 24 th September 2021	Provide signed undertakings

Contact

14. All correspondence and expressions of interest should be sent to

retailpriceregulation@ofgem.gov.uk

Kind regards,

Leonardo Costa

Head of Price Cap Policy