

Umme Azad
Ofgem, via email
DCCregulation@ofgem.gov.uk

28 February 2024

Ofgem Consultation – Revised OPR Guidance

Dear Umme,

The Smart Energy Code (SEC) Panel is pleased to respond to the proposed revisions to the Operational Performance Regime (OPR). We have set out our response to the consultation questions below. We would be happy to engage further, to assist with any clarifications.

In general, we welcome the proposed revisions. The amendments to the scoring and assessment questions for Customer Engagement should enable a better outcome and we anticipate, lead to greater engagement from a wider number of Parties.

We consider the proposed changes to the Contract management Terms of Reference (ToR) to be a positive step forward, providing a better overall audit outcome for the DCC, Ofgem and SEC Parties. With c.18 months remaining for the current DCC Licence Term, time is short for the current licence holder to make improvements before a potential handover to a new Licensee. It is critical that there is scrutiny of the contracts that any new Licensee may inherit.

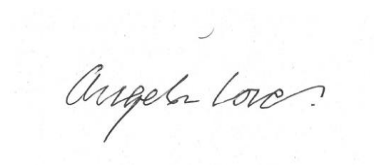
Auditing of the DCC Business Handover Plan (BHP) is sensible. As noted in our response to the recent DCC consultation on the BHP, we believe independent oversight should also be in place for the broader DCC licence transfer programme, providing assurance for all Parties.

We understand the rationale to reduce the margin associated with System Performance and the corresponding increase in the % of margin at risk attributable to the Contract Management measure. We note that Ofgem recognises that this change is only for as long as the interim arrangements for the OPR remain in place. On this related point we note that the DCC Impact Assessment for Modification Proposal ([MP242change-to-operational-metrics-to-measure-on-success](#)) was recently discussed at the Change Working Group and should be progressed to vote shortly. This will enable a measure of the success of Service Reference Variant (SRV) and business process and not just the time taken to deliver these to and from the User.

Whilst accepting there can be variability across DCC User orchestration, the proposal to zero weight the SRV 8.11 command, removes from the DCC accountability in the Installation and Commissioning process. However, the DCC is unable to report against Target Response Times, and it is therefore difficult to place any binding measure on the DCC currently. With the proposed move to a measure of overall SRV success under MP242, we hope this will provide a suitable platform for an enduring resolution for this long-standing issue.

If you would like to discuss any of the issues in this response further, please do not hesitate to contact me at SECAS@gemserv.com.

Yours sincerely,



Angela Love
SEC Panel Chair

Ofgem Consultation: Revised OPR Guidance

System Performance

Question 1: What are your views on the proposed weighting changes?

We understand the rationale for the proposal and welcome the corresponding increase in the % of margin at risk attributable to the Contract Management measure. We note that this change is for as long as the interim arrangements for the OPR remain in place.

We note that the DCC Impact Assessment for Modification Proposal ([MP242change-to-operational-metrics-to-measure-on-success](#)) was recently discussed at the Change Working Group and should be progressed for determination shortly. This will enable a measure of the success of Service Reference Variant (SRV) and business process and not just the time taken to deliver these to and from the User.

SECAS has also suggested to the DCC, that should MP242 not progress for whatever reason, the DCC should have a “Plan B” to address the ongoing operational metric concerns, in those discussions the DCC has indicated that it would consider reverting to reviewing [MP187 incorporation-of-target-round-trip-times-and-target-success-rates-into-the-sec/](#) to measure end to end SRV journeys. MP187 is currently on hold, pending the outcome of MP242.

Question 2: What are your views on adjusting the weighting of the SRV8.11 performance measure for the remainder of the interim OPR?

The Service Reference Variant (SRV) 8.11 is a key part of the overall Installation and Commissioning process. We note that the timing and use of the SRV8.11 is subject to variability and factors outside the DCC’s control. However, accepting there can be variability across Users, the proposal to zero weight this critical command, seems to remove from the DCC any accountability for the Installation and Commissioning process. We are therefore disappointed with the zero-weighting proposal but note there remains an issue for the DCC to report against Target Response Times, and that it is therefore difficult to place any binding measure on the DCC currently. With the proposed move to a measure of SRV success under MP242, we hope this will provide a suitable platform for a resolution of this long-standing issue.

Contract Management

Question 3: What are your views on the proposed changes to the contract management Terms of Reference? Do you agree with our proposals?

These are sensible and should provide a better outcome for the auditor, Ofgem, the DCC and SEC Parties. Further, we are pleased that the scope will include a review of the DCC service provider contracts and intellectual property transfer arrangements. We consider this to be a positive step forward. With c.18 months remaining for the current DCC Licence Term, time is short to make improvement ahead of a potential handover to a new Licensee. It is critical that there is scrutiny of the contracts that any new Licensee may inherit, to ensure there is no carry forward of known issues.

The proposal to include an assessment of the DCC Business Handover Plan is sensible. It is crucial that this important document receives independent oversight and assessment. We urge Ofgem to also include further independent oversight to the broader DCC programme for the licence transfer.

Question 4: Do you consider any further changes are required to expand the Terms of Reference?

As noted in our response to Question 3, The proposed change to the Terms of Reference (ToR) is a positive step forward. However, we believe there needs to be consideration of the role of the Auditor within any new Licensee framework. For example, for identified non compliances with the SEC, there should be clear rectification plans agreed, and monitored with a framework to appropriately manage should non compliances persist. There may be an opportunity in future, to introduce issues identified from the audit, into the proposed SEC Performance Assurance Framework which is being developed under Modification MP224 ([MP224 sec-performance-assurance-framework](#)), and is currently in development.

Customer Engagement

Question 5: Do you agree with the proposed changes for customer engagement?

We are pleased to see additional granularity proposed for the assessment scores by the SEC Panel. This will enable a nuanced view to be provide by the SEC Panel to Ofgem. We expect that the reduction in the volume of questions will help to simplify and reduce the scope for duplication of feedback in returns from SEC Parties.

Question 6: Do you think any additional considerations need to be made for customer engagement?

It is crucial that the SEC Panel receives feedback from all types of organisations providing a broad assessment to Ofgem. SECAS has already started the process of raising the opportunity for Parties to provide their views, by presenting at the DESNZ Independent Supplier and Meter Equipment Managers Forum on 25 January 2024, and will continue to raise awareness via various engagement channels. The DCC has also agreed to highlight the importance of the request once again, via engagement with its customers.

It may prove beneficial if Ofgem also undertook a publicity campaign to draw attention to the importance and potential effect the SEC Party feedback can have.