January 2001

New Electricity Trading Arrangements (NETA) Programme

Implementation Phase

Overview of Programme Progress

Contents

1. Introduction

1.1 This report provides an overview of progress on all the major elements of the NETA Programme since the replanning exercise was completed in October last year and the announcement made of a new target implementation date of 27 March 2001. It begins with a description of the new trading arrangements, then provides details of the present organisation of the Programme and its plans for completion. The status of the principal workstreams is described and the report goes on to discuss future tasks and likely progress on them. Finally, a description is given of the subsequent decision making process that will occur if the March target date is confirmed.

2. The New Trading Arrangements

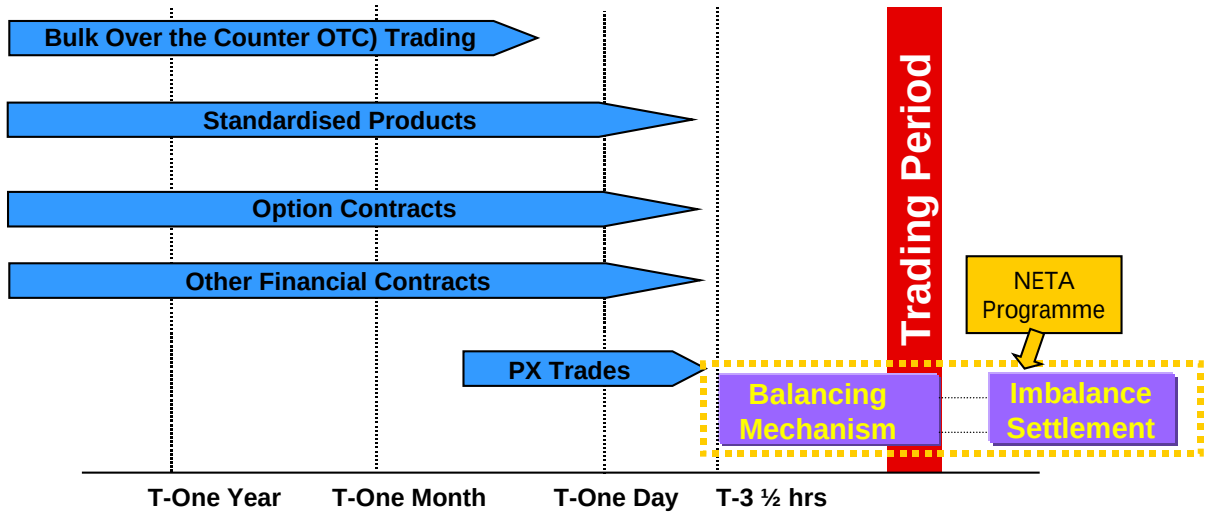
2.1 The present wholesale market for electricity, the Pool, has been in operation since 1990. Concern about a number of aspects of its performance led to the DTI announcement of a review in 1997, which reported in 1998 and recommended a significant change in market governance and trading arrangements. This was endorsed by Ministers and the implementation process was established by the creation of the New Electricity Trading Arrangements (NETA) Programme in 1999.

2.2 A basic principle of NETA is that those wishing to buy and sell electricity should be able to enter into freely negotiated contracts in order to do so. Under the new arrangements it is expected that bulk electricity will be traded forwards through bilateral contracts and on one or more exchanges. Those buying and selling electricity on exchanges and through bilateral contracts are likely to include not only generators and suppliers (who produce or whose customers consume physical quantities of electrical energy), but non-physical traders as well.

2.3 The role of the NETA Programme is not to dictate how energy will be bought or sold ahead of real time on these exchanges or in bilateral contracts. Instead it is to provide mechanisms for certain centralised activities that cannot reasonably be expected to be handled by decentralised markets: the real-time balancing of the transmission system, and the calculation and settlement of imbalances which will inevitably arise between contractual and physical positions. It should be noted that it is anticipated that these centralised activities are likely to comprise only a small part of the overall market, with most participants having traded to cover their anticipated physical position in advance.

2.4 The diagram below shows the range of trading types that might be expected in relation to any trading period, and those elements that will be provided centrally by the NETA Programme.

Trading under the New Arrangements



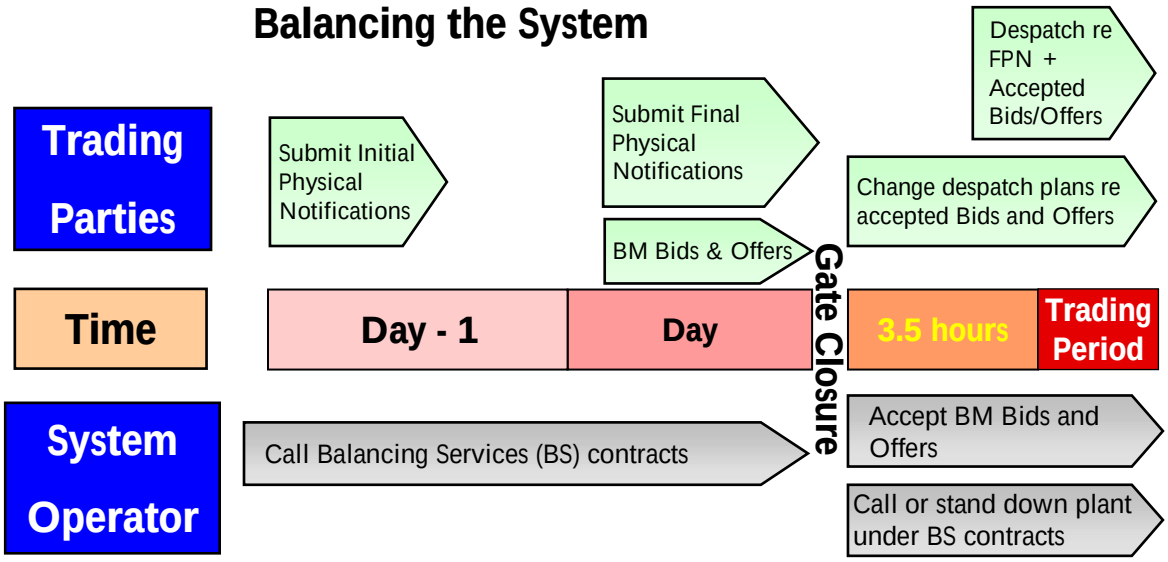
Balancing Mechanism

2.5 Under NETA, participants will self-schedule, that is they will determine what levels of output and/or consumption they will undertake. A mechanism is required, however, for adjusting these intended levels of generation and demand in real time, for two reasons. First, it is likely that the total output of generation will not automatically match the total consumption of customers at any given time – some parties may not have exactly predicted their actual operating position, weather and other factors may alter demand nationally or regionally from that expected, some generation may not be available due to unanticipated faults and so on. Second, for a number of technical reasons it is sometimes necessary for the system operator to be able to adjust the level of production or consumption of individual generators or demands away from the level at which the generator or customer would otherwise wish to operate to ensure secure operation of the transmission system.

2.6 To help enable production and consumption to be kept in exact equilibrium in real time, the NETA arrangements provide for the provision of a 'Balancing Mechanism' (BM). Close to and in real time, NGC will determine what actions need to be taken in order to maintain the required national and local balances of generation and consumption. It will then accept relevant bids and offers placed by participants in the Balancing Mechanism in order to achieve this. Participation in the Balancing Mechanism is open to all participants, both generators and demand side participants, who are willing to change their output or consumption from that planned, at whatever price they choose to offer or bid into the

Mechanism, and who have the physical capability to respond within the relatively short time horizons that NGC will require. NGC will also have the ability to contract for balancing services ahead of time in order to ensure that sufficient flexibility exists in real time for system balancing purposes.

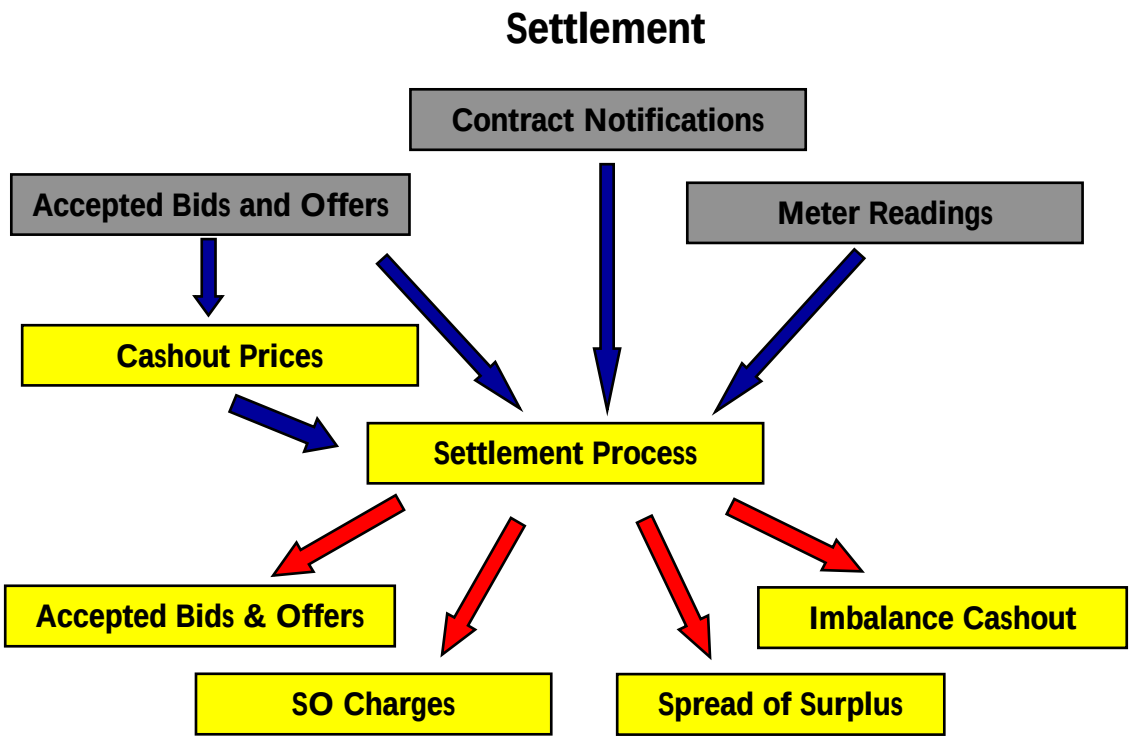
2.7 The diagram below shows the principal elements that will contribute to system balancing.



Imbalance Settlement

2.8 In practice, generators may physically generate more or less electricity than they have sold, the customers of suppliers may consume more or less energy than their supplier has purchased on their behalf, and traders of electricity may buy more or less energy than they have sold. The central NETA systems are designed to measure these surpluses and deficits (or imbalances) and to determine the prices at which they are to be settled in order to send out invoices and payments for them. This process of calculating and settling imbalance volumes is referred to as 'Imbalance Settlement'. In addition, this process must also settle those trades that were accepted in the Balancing Mechanism as well as various System Operator charges. The process must then spread the surplus that arises from having different imbalance prices for those who need to pay for a shortfall of energy, as opposed to those who are in the opposite position and who need to be paid for surplus energy. Imbalance volumes and imbalance prices will be calculated on a half-hourly basis, and settled on a daily basis, on average 29 days in arrears.

2.9 The diagram below shows the principal steps in the settlement process, and the various elements that are settled.



Governance

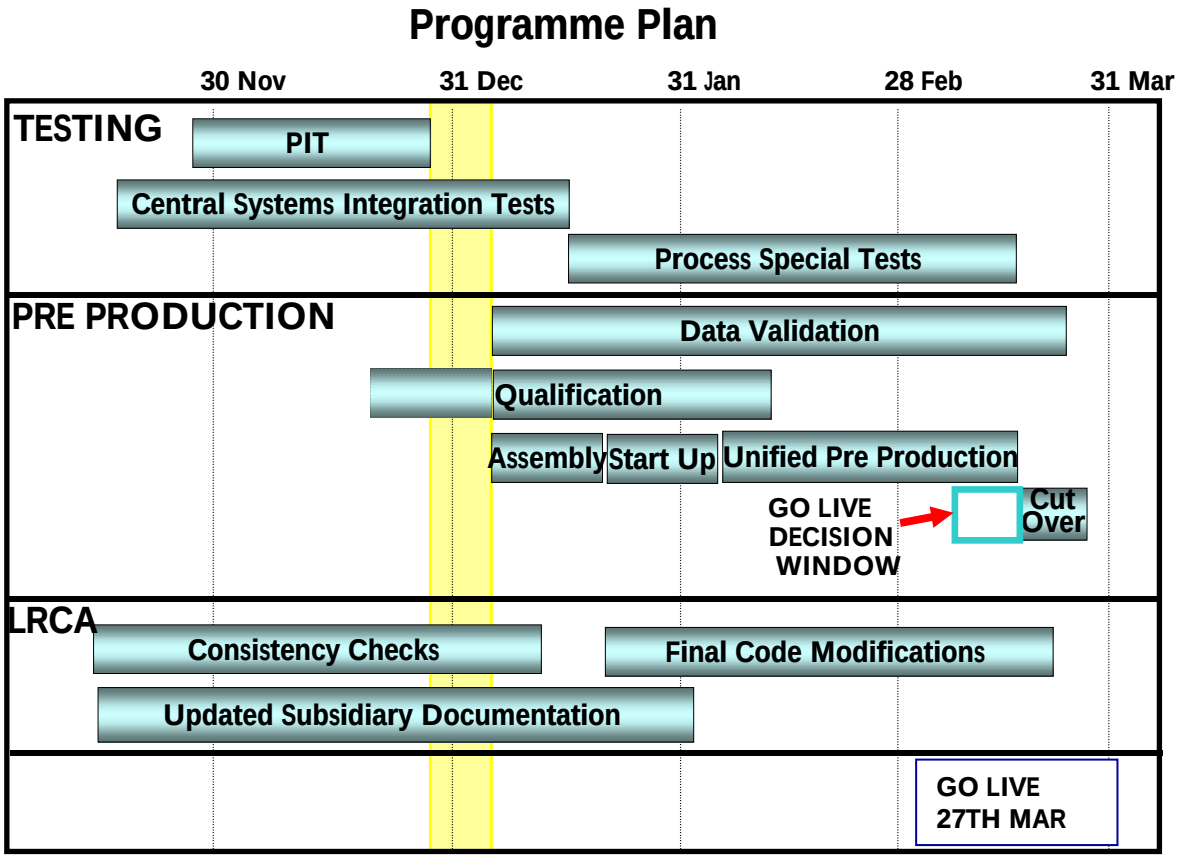
2.10 The new arrangements are described in a series of interlinking documents, of which one of the most important is the Balancing and Settlement Code (BSC). This sets out the governance of the new arrangements, the role of the Balancing and Settlement Code company (BSC Co), and details of how the central systems and processes will work and what they will provide. Overall supervision of the Code is the responsibility of the BSC Panel, whose powers and duties are described in the Code. The Panel is supported by ELEXON, the company name of the BSC Co, who also provide day to day management of certain service providers and support to participants generally.

2.11 One of the principal duties of the Panel is to progress proposed modifications to the Code. The processes are set out in the Code, but in summary the Panel, supported by ELEXON, has to review all proposals for modifications (these can be made by any participant and by certain other groups), assess them, consult on them and then recommend to the Authority, i.e. Ofgem, whether or not the modification proposal should be accepted. Ofgem will make a final decision based on the various reports that

the Panel will submit in support of any recommendation, and with regard to its statutory duties.

3. Present Plan, Tasks and Organisation

3.1 The present plan was developed and agreed in October 2000. It was developed on the basis of determining the earliest feasible Go Live date, and the sequence of activities led to a general acceptance of this being 27th March 2001; it was recognised that this date was not without risk. A summary of the plan is set out below. A more detailed version of the plan is available on the NETA website, and is updated regularly to record progress.



Testing

3.2 Testing provides assurance that the central systems supporting the new Trading Arrangements can operate as designed, and that the overall co-ordination and delivery of Central Service Providers (CSPs) and participants into the central systems is effective. A revised test strategy was developed, the overall approach being to de-couple central services testing (central services being defined as those provided by Logica, EPFAL, NGC & ELEXON) from industry participant testing, in order to enable the service providers to complete system testing in a shorter duration. The key elements within central services testing are described below.

Participant Integration Testing

3.3 Participant Integration Testing (PIT) tests that the Central Services can exchange electronic data correctly with each other and with participant systems. These tests provide assurance that documentation describing the central systems is robust and understood by participants.

Central Services Integration Testing

3.4 Central Services Integration Testing (CSIT) is based on a number of Test Scenarios that exercise normal operation of the overall NETA Processes that will be carried out by the Central Service Providers. The Test Scenarios concentrate on balancing and settlement activities up to and including Initial Settlement, but do not involve participants, with their input data being fed in on a dummy basis. The focus of CSIT is to ensure that the Central Services operate correctly together, therefore providing sufficient confidence for Unified Pre-Production to begin.

Process Special Tests

3.5 The Process Special Tests (PST) stage is a continuation of the CSIT testing, and is aimed at obtaining wider test coverage, looking at processes, for example dealing with 'clock changes', not fully tested in CSIT. Additional Test Scenarios will ensure that both normal and exceptional operation of the overall NETA Processes will be tested. Execution of these scenarios will provide further assurance that the new trading arrangements operate correctly.

Pre-Production

3.6 Pre-Production is the final major phase of the Programme prior to Go Live. In Pre-Production, the operational systems are exercised in as realistic a manner as possible, and participants are able to undertake the roles that they will occupy in the live world, testing and trialling their own systems and generally learning how to operate in the NETA environment. This activity will also provide further tests of the central systems, with full data diversity and volumes running over the communications infrastructure.

3.7 There are a number of critical steps in Pre-Production and these are described below.

Data validation

3.8 The objective for the Data Validation phase is to obtain assurance that the data used in the Central Data Collection Agent (CDCA) database is fit for trading under NETA. These data come primarily from a large number of meters that are read automatically by the system. Errors and omissions will be identified by comparing the NETA raw and aggregated meter data with the existing Settlement System Administrator (SSA) data, to check both that meters are being read correctly and that complex aggregation rules are accurate.

Qualification

3.9 The purpose of Qualification tests is to establish whether individual participants are able to communicate with the central systems and exchange electronic data in accordance with specific standards. These tests are important, as any participant who wishes to enter Pre-Production must have passed them before being able to do so.

Unified Pre-Production

3.10 Unified Pre-Production (UPP) is the actual exercising of the central systems with those of participants. Before it can commence, the systems must be put together in the operational environment in Final Assembly, and the relevant data loaded into them and some initial operational processes begun in Start Up.

3.11 Pre-Production itself allows qualified participants to do whatever they wish to test their own systems. They will not be provided with data sets, as were those who participated in PIT and PST, rather they are free to trade with each other, notify contracts, submit Initial and Final Physical Notifications to NGC and submit Bids and Offers into the Balancing Mechanism in whatever way they choose. In addition, NGC will perform Balancing Mechanism trials with participants to ensure that system balancing, utilising accepted BM Bids and Offers, works properly.

3.12 In order to participate properly in Pre-Production, participants will need to:

- Agree details of UPP contracts with their counter-parties;
- Appoint BSC Party Agents, through the Energy Contract Volume Notification Agent (ECVNA) service;

- Notify Contract details for UPP Settlement Periods, via the Energy Contract Volume Authorisation Agent (ECVAA) service; and
- Ensure that they have sufficient Credit Cover (ECC) lodged with the relevant service provider, the Funds Administration Agent (FAA).

3.13 The start of Unified Pre-Production on 5th February is an important milestone. Achieving this milestone will provide further assurance that the Go Live target of 27th March can be met.

Cutover

3.14 Cutover is the process whereby the existing Pool systems and processes are progressively turned off and the corresponding NETA systems and processes are turned on. In addition, during cutover the Pre-Production environment is closed, all data relating to Pre-Production cleaned out and the environment opened again as the live environment a few days before Go Live.

3.15 Cutover will happen in the last few days prior to Go Live.

Legal, Regulatory and Commercial Framework

3.16 The objective of the Legal, Regulatory and Commercial Arrangements (LRCA) workstream is to complete the legal and commercial framework within which the new Trading Arrangements will operate. Much work has already been done in this regard, especially that leading up to Go Active on 14th August, when the Framework Agreement to the then version of the Balancing and Settlement Code (BSC) was signed by all industry participants, having previously been designated by the Secretary of State.

3.17 The remaining work to be undertaken from Go Active to Go Live includes:

- completing a major consistency check of a variety of core documents, such as the Grid Code, that together form a critical part of the Programme baseline;
- completing the drafting of all relevant BSC subsidiary documents, such as the Balancing and Settlement Code Procedures (BSCPs), consulting on them and ensuring that they undergo the appropriate approval processes;

- completing the drafting of all necessary changes to the BSC, including modifications that have arisen as a result of the consistency check and additions in certain areas.

Participant Readiness

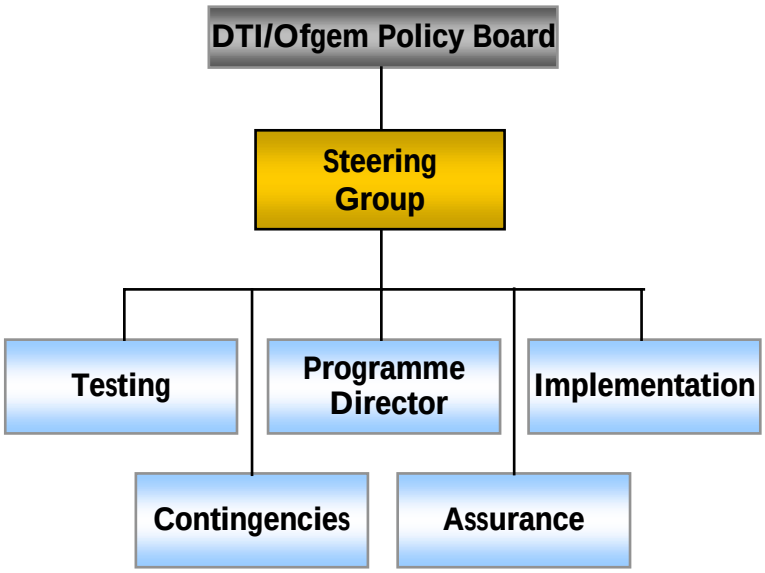
3.18 Although not shown on the summary timetable, the Programme is also working hard to ensure that participants will be ready to take part in the new arrangements. A number of existing activities have been brought together and in some cases enhanced within the Participant Support Group. This group was established to provide direct and proactive support to enable the maximum number of participants to be ready for Go-live. More specifically the group is responsible for:

- co-ordinating liaison between the central NETA programme and participants;
- providing support to the process of transitioning participants into the NETA environment and communicating best practice in relation to that process to other participants;
- seeking participant feedback on central Programme plans and approaches;
- communicating central Programme progress and issues to participants;
- co-ordinating requests for information from the central Programme to participants;
- maintaining and making available the register of questions and issues raised by participants, together with responses to those questions and issues.

Organisational Arrangements

3.19 In parallel with the revised Programme plan outlined above, the organisational structure of the Programme was revised in order to align responsibilities with task assignments, have shorter and clearer reporting lines and ensure that tasks are completed with as little dependency as possible on other tasks. An organisation chart is shown below.

Programme Structure



4. Progress To Date

4.1 At the time of the replanning exercise, it was recognised by the NETA Steering Group, Ofgem and the DTI that there was only limited contingency in the plan to achieve the target date. As a result, if there were any delays to the achievement of key milestones in the revised plan, this might impact the ability of the Programme to Go Live as planned.

4.2 The current NETA Programme Plan is updated on a weekly basis to reflect progress against key milestones within individual projects. The present status is that the interim milestones are being achieved predominantly to schedule. There has been some limited slippage in some key areas, as would be expected in a complex programme of this nature, but so far a combination of utilising some contingency and replanning particular activities has enabled the Programme to stay on course for a Go Live on 27th March.

4.3 In addition, achievement of the overall Go Live objective is measured against a number of indicators that were previously established in a paper called the NETA Go Live Monitoring Indicators.[1] Since that paper was published, the Programme has been conducting a weekly assessment of progress against the key indicators, both to begin now a process that will underpin the final Go Live report and to be able to obtain a picture over time of how particular indicators are performing. A paper giving the latest report is being published in parallel with this paper.

4.4 Progress in particular areas of the Programme is described below.

Legal, Regulatory & Commercial Framework

4.5 The Legal Framework project undertook and successfully completed an exercise to check consistency of the User Requirement Specifications (URSs) with the BSC and the Balancing and Settlement Code Procedures (BSCPs). As a result some possible changes to the BSC were identified, which were detailed in a December Consultation paper, entitled 'Possible Modifications to the BSC'. Broadly, the changes proposed are not seen as controversial and once the responses to the consultation have been received and assessed, work will continue to promulgate the relevant changes to the Code. This work is on schedule and will be completed well before Go Live.

[1] November 2000 Ofgem/DTI publication.

4.6 In addition a number of changes to the BSCPs have been made, to accommodate the latest position in a number of areas. These changes have all now passed through industry consultation and been approved by the Panel. To date 24 documents have been approved by the Panel, and 11 other documents have been handed over to ELEXON to complete outstanding work and have been approved as necessary. In addition some minor changes to the User Requirements Specifications (URSs) were identified, as were some changes to the Operating Service Manuals (OSMs). These changes are being progressed via the change management/issue resolution process. Again these changes are not seen as controversial and the work is on schedule and nearing completion. This will then complete a significant tranche of activity.

4.7 There were a number of areas of the BSC in which work was not completed prior to Go Active. A group, entitled G3, was established within the Programme to progress this work which covered topics such as Civil Emergencies and Fuel Security, Manifest Error, Black Start provisions and those relating to Supplier of Last Resort. Separate consultation papers on all these topics have now been issued, the last on Fuel Security on 15 January. Further work is needed to assess the replies to consultation, draft the relevant changes to the Code and consult on them and then promulgate the changes. Work in this area is generally on track.

4.8 Overall, whilst there are tasks still to be accomplished within the LRCA workstream, the work is on track and no problems are anticipated that could affect the ability to Go Live on 27th March.

4.9 Although not formally within the LRCA workstream or initially within the revised plan, the Programme has also devoted considerable resource to ensuring that its Baseline is consistent. The Baseline consists of over 100 documents, many of considerable complexity. These include the Code and its subsidiary documents, other Core documents, Service Descriptions and User Requirements Specifications, Interface Definitions Documents, Data Catalogues and many others. Approved Change Requests, until fully taken into account in whatever documents they impact, also form part of the Baseline.

4.10 Work on the Baseline culminated in the issue of a Baseline version 3.0 in December. The reception by the industry indicates that the Programme is now close to a consistent Baseline; for example, very few problems have been cited by participants in relation to the impact of Baseline 3.0 upon their own system development. Further work has continued in a number of areas, including performing a gap analysis between Baseline 3.0 and the

baseline used for testing, checking the status of all approved Change Requests and incorporating further documents, already in the public domain, formally within the baseline. One result of this work has been the issue of a Baseline version 3.1 on 19th January. Further work will continue to focus on Baseline consistency.

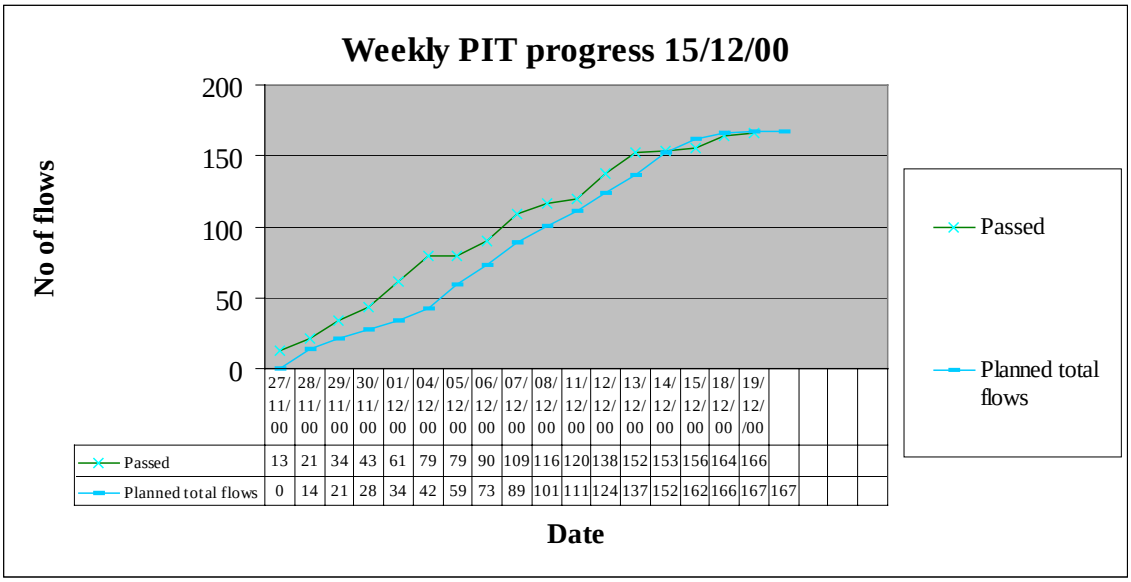
4.11 If the Baseline contains important inconsistencies, there is a real risk that systems will not integrate properly, or do what is expected of them. Whilst work remains, any risk in this area is now seen as having been significantly reduced as a result of the efforts over the past two months.

Central Services Testing

4.12 Central services testing has made significant progress against the revised plan, with a number of key milestones having being achieved. Some work remains to be done, but assurance that the central systems work properly is increasing on a daily basis.

Participant Integration Testing

4.13 These tests were underpinned by the issue of an updated Interface Design Document (IDD), version 3.4, which provided a more robust basis for the tests; the IDD sets out, amongst other things, the communication and file structure and content protocols essential if a variety of different systems, both at the centre and at participants, are to communicate properly with each other. The PIT testing generally went well; there were relatively few problems encountered in what previously has been a difficult area for the Programme, and the result was that only a small number of clarifications to the IDD were identified. The diagram below reflects the progress of PIT testing up to its successful completion in December.



Central Services Integration Testing

4.14 CSIT testing concluded one week late and ended on 12 January. A number of problems were encountered during testing which extended the time required to interpret the test results. A reconciliation exercise has now successfully demonstrated that the arithmetic settlement calculations are being undertaken correctly. In general the tests generated the level and type of problems that would be expected at this stage of the Programme; indeed, analysis has revealed that many of the problems were actually associated with the data used and the ways that the tests were run, rather than with the underlying software, which has shown itself to be reasonably stable and resilient.

4.15 Because of some of the issues raised in CSIT, the scope of Process Special Tests (PST) has been expanded. In particular, further so called 'meter to bank' tests are being scheduled, in order to provide further assurance of the integrity of the central services.

Process Special Tests

4.16 Process Special Tests started one day ahead of schedule. So far a number of scheduled tests, covering elements such as clock changes back and forwards, have been successfully run. Attention is now turning to running some of the enhanced tests discussed above.

4.17 Overall, testing progress is satisfactory. In some areas, it had been anticipated that additional assurance would have been obtained, and to cope with this further tests will be run during PST. This has not caused major problems and is to be expected.

Pre-Production

4.18 Progress on the various areas of Pre-Production described in Section 3 is set out below

Data validation

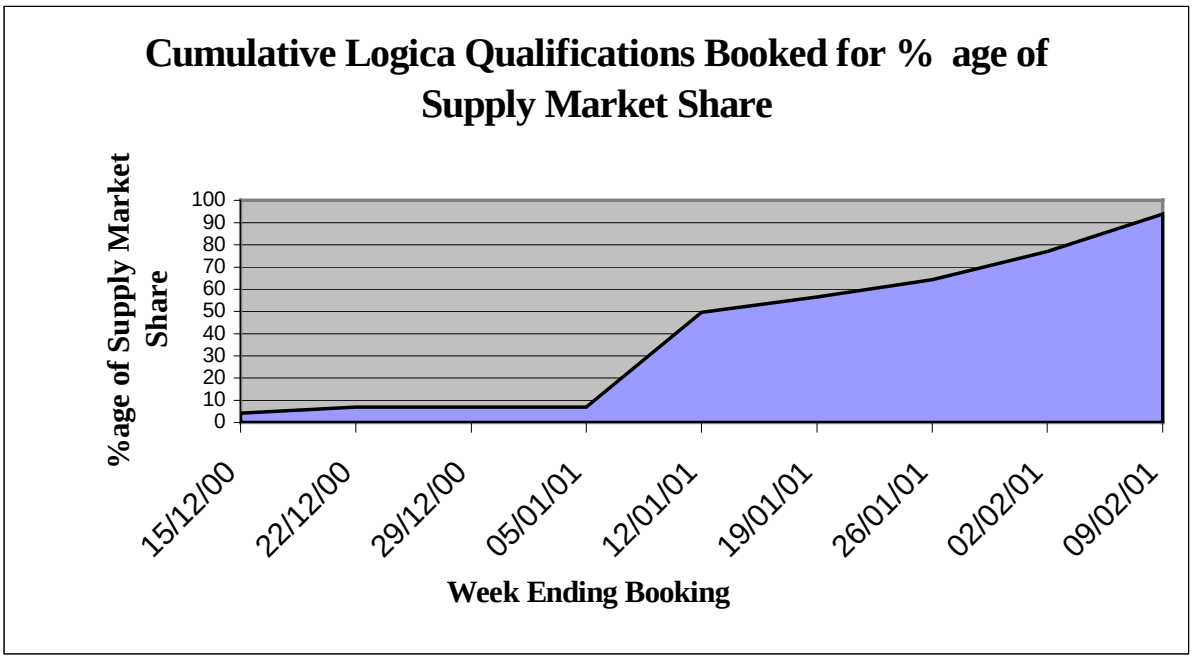
4.19 Data validation, required to ensure all participant meter information is aggregated properly, encountered some initial problems. In particular, it took longer than anticipated to get the central systems to produce the requisite data to be validated. As a result, this activity started well behind schedule, but recent progress has been good. The important Level 2 metered data validation aggregated comparisons have now started and progress is ahead of the current schedule. At the current daily rate of comparisons completed, all rules will have been validated by Go Live.

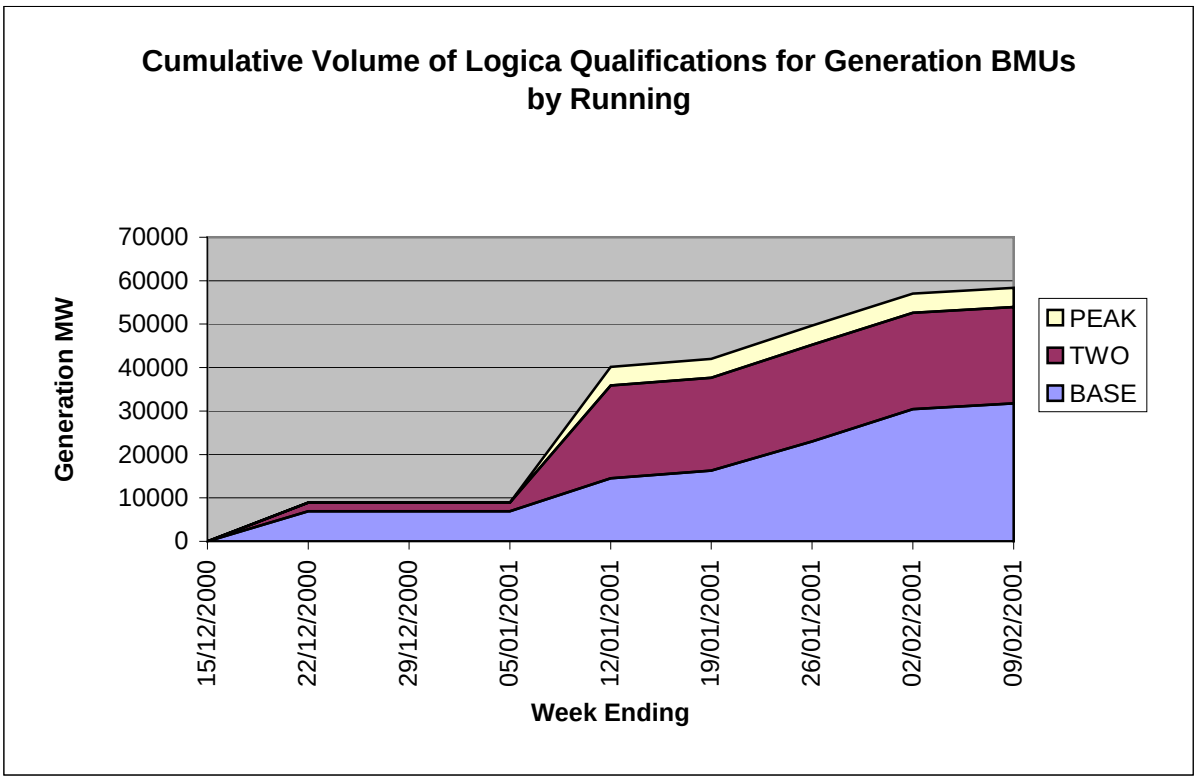
4.20 Some problems have also been encountered with reading meters, which is done both remotely and electronically. This has reduced progress on the initial tranche of planned validations, but others not affected by these problems have been substituted instead. Work is in hand to resolve these problems.

Qualification

4.21 Market participants are currently undertaking full Qualification testing which started on 8 January. The statistics initially reported a low number of participants having booked for Qualification test slots (45%). Analysis showed, however, that these participants account for 91 percent of generation volume, and 94 percent of demand volume. Work is in hand to move participants from booked to qualify to qualification itself. Early indications are that, as anticipated, a number of participants fail to qualify first time around, but that the pass rate rises on the second attempt. The booking process, and the resources devoted to qualification, had already taken this likely pattern into account. Providing progress is maintained, it is very likely that a significant proportion, well over 90%, of both generation and demand will have qualified by the start of Unified Pre-Production.

4.22 The diagrams below show the cumulative bookings for qualification for both demand and generation.





Unified Pre-Production

4.23 Work continues to ensure that the Pre-Production environment is established in accordance with the present schedule. Final Assembly started on time on 8th January, and Start Up started also on plan on 22 January. Whilst work still needs to be done to get to

the start of Unified Pre-Production, the outstanding issues are understood and within existing plans. In particular to achieve a smooth start to UPP, it will be necessary to:

- undertake sufficient meter validations to obtain reasonable confidence that the aggregation rules are robust;
- get sufficient numbers of participants through Qualification;
- conduct further assurance tests as part of PST and deal with major issues, if any, that arise;
- compete successfully Final Assembly and Start Up.

4.24 Comments on progress in all these areas are given in previous paragraphs in this Section. At this stage, no insurmountable problems are envisaged, and the Programme is proceeding on schedule towards the start of Unified Pre-Production on 5th February.

5. Looking Ahead

Legal, Regulatory & Commercial Framework

5.1 The focus of work for the Legal Framework workstream will focus on completing modifications to the BSC, specifically those in relation to the G3 group's work, version alignment and other possible minor modifications. This work is on target to complete before Go Live. In addition work is progressing on checking the consistency of the BSC, BSCPs and the Service Descriptions which will finish before Go Live. No significant problems are anticipated.

Central Services Testing

5.2 The focus of central services testing is now on the completion of PST. Work is in hand on the data to be incorporated into some of the test runs. Further work is required to produce expected results and then compare these to actual results, especially for those tests that are planned to be conducted before the start of UPP and which provide additional assurance in relation to that. After that, a variety of other tests, for example covering disputes procedures, will be run in the PST environment. At this stage work is on schedule; as with all tests, to some extent what needs to be done will be conditioned by the results of tests yet to be run.

5.3 Although some participants have withdrawn from PST, as noted in paragraph 4.17, others remain and the planned tests with them are proceeding. By the use of dummy data for those who have withdrawn and specific monitoring of aspects of Pre-Production, the same overall level of assurance is anticipated.

Pre-Production

5.4 The primary focus for the Pre-Production workstream going forward will be the start and running of Unified Pre-Production. As discussed earlier, this will simulate the full operation of the NETA systems for the first time. There is little doubt that problems will emerge during this period that will need to be addressed, as would be expected from a Programme of this size and complexity. As far as is possible, the Programme is assessing the types of problems that might occur, and is already putting in place measures to mitigate them.

5.5 To achieve both a measured start to UPP and a broadly successful exercising of the central systems during it, there are a number of dependencies upon other workstreams, as described in paragraph 4.24. For convenience, the present position on each is summarised as follows:

- ***Data validation*** The Level 2 Data validation subset for Pre-Production is ahead of on target. Following this work will continue to complete the remaining comparisons for Go Live. 36 percent of comparisons have been checked so far with no significant problems emerging. A substantial task still remains to be completed, but the resources to do this within the time available have been identified and tasked.

- ***Qualification*** Given the participants who have now booked for Qualification tests (in terms of the volume of generation or consumption that they represent) a high level of assurance can be reached that sufficient generation and demand will have passed Qualification and be ready for UPP. The statistics shown earlier support this view.

- ***Baseline*** The Baseline is becoming increasingly robust and so far no major problems have been found with version 3.0, released in December. Further assurance will be obtained from the release of version 3.1 earlier this month. Work will continue in this area, but a satisfactory level of assurance is rapidly being obtained.

- ***Process Special Tests*** Work is in hand to complete certain of these tests in advance of UPP, and some time will be available to deal with any issues that may arise. In addition, earlier system testing has gone well, and if problems do emerge they are likely to be late in the processing cycle, in other words associated with settlement many working days after the relevant trading period. Because of this, it may be possible to resolve such problems in time for the first use of the relevant software in the settlement cycle, which is some time after the start of UPP.

- ***Final Assembly and Start Up*** So far these phases have gone well, and no problems are anticipated.

Risks to the Present Go Live Date

5.6 There are a number of risks to the Go Live date, notwithstanding the present confirmation of it as a sensible target. These risks are generally understood, and the Programme is taking active steps to manage them. The principal risks, and the steps that are being taken, are set out below.

Risk to Go Live Date	**Action in Hand to Mitigate Risk**
An unacceptably large number of participants are not ready for Go Live	• regular discussions with leading software suppliers to participants • daily monitoring of qualification position • communication of all key dates and constant follow up where participants are not achieving those dates • establishment of the Participant Support Function • creation of a series of test rigs to help participants get ready for Pre-Production • bulk data take on in areas such as authorisations • continuation of Implementation Managers Forum • special seminar focussing on operational issues
Problems in systems are revealed late in the testing process, such that fixes are not available in time for Go Live	• increased complexity of test materials • plan for further software release into Pre-Production • plan for normal working hours, and hence scope for extended hours working
Data Validation not complete	• additional resources to ensure completion on time
Inconsistencies in Baseline	• consistency checks • gap analysis between Programme and Testing Baseline • release of Baseline 3.1 to cope with important inconsistencies

5.7 In terms of risks post Go Live, the independent assurance function has commented that more co-ordination of plans to cope with the problems that will inevitably arise is required. This advice is being acted upon and a central team including ELEXON, NGC, Ofgem, DTI and Logica is being established to progress this planning.

5.8 In summary, whilst work remains to be done, the Programme is on schedule to achieve the start of Unified Pre-Production on schedule on 5th February, and at this stage is also on track to achieve a Go Live date of 27th March.

6. Further Decisions Relating to Go Live

6.1 On the assumption that the date of 27th March is confirmed as the target for the first day of live trading under the new arrangements, the focus in the Programme will shift to a successful period of Pre-Production, as well as concluding key activities such as testing, data validation, Baseline assurance and the production of the final set of key documents such as the BSC.

6.2 This work will be undertaken in the period between early February and early March. During that period, the Programme will continue to review progress on a weekly basis.

6.3 Assuming that no threat to Go Live emerges, or that if any does it can be resolved without causing a delay, then in early March the Programme will assess progress at that point, and put a final report to Ministers recommending whether or not to Go Live on 27th March. Present planning is that this report will be submitted to the Ofgem/DTI Policy board on about 7th March, with the recommendation of the Board going to Ministers on about 9th March, in the expectation that Ministers will then be able to make a final decision by 16th March.

6.4 The Programme's report in March will include views on the status and ability to Go Live of Logica and EPFAL. NGC and ELEXON will submit their own reports on Go Live status, and the Programme will also produce a summary report incorporating their views. In addition, Ofgem's Chief Executive has invited participants to advise him of any significant changes to their views of readiness.

6.5 If the decision in March is to confirm the Go Live date, then Cutover will begin almost immediately. As described in Section 3, this will involve both the progressive switch from Pool to NETA systems, and the closure of the Pre-Production environment for several days to enable it to be made ready in good time for the start of live operations. The live environment will open several days before Go Live, to permit participants to undertake activities such as nominating contracts.

6.6 It is not expected that any internal event will arise once the Go Live decision has been made on 16th March that will cause it to be challenged. This is because little further assurance will be obtained from Pre-Production, which will be halted, and because the cleaning out of the Pre-Production environment and its restoration as the live environment are relatively mechanical tasks. Other events, such as severe adverse weather, might occur, and contingency plans have been developed to deal with them.