Switching Programme – Blueprint phase

External Design Advisory Group: Draft Terms of Reference

1. Objective of the Switching Programme

1.1. Our objective is to: "improve customers' experience of switching, leading to greater engagement in the retail energy market by designing and implementing a new switching process that is reliable, fast and cost-effective. In turn this will build consumer confidence and facilitate competition, delivering better outcomes for consumers". Our ambition is for next-day switching.

1.2. The aim of the Blueprint phase is to define a new set of switching arrangements that will achieve the programme's objective. These arrangements will cover proposals for a Centralised Registration Service (CRS) and changes to existing industry-wide arrangements. In order to develop a Blueprint for the new arrangements we must consider the implications of a large number of inter-related policy and implementation-related issues and optimise the solution such that it is comprehensive and has integrity. The Blueprint will set out the proposed arrangements, supported by an Impact Assessment, together with analysis of the options that were considered and the rationale for the selected approach. The Blueprint will be published for formal consultation and the Blueprint phase will conclude with publication of a decision document which addresses the views of respondents.

1.3. The Blueprint phase is being delivered through four workstreams: Business Process Design, Regulation, Delivery Strategy and Commercial. It will be followed by three further phases of work covering: Detailed Level Specification, Enactment (including procurement of the CRS) and Design, Build and Test.

2. Objective of the External Design Advisory Group

2.1. The objective of the External Design Advisory Group (EDAG) is to provide expert advice into the overall design baseline, identify links and dependencies and provide strategic direction across all workstreams.

3. Scope and deliverables

3.1. The EDAG will provide expert advice and input on all products and other baseline content developed and submitted by the Design Teams for each of the four Blueprint workstreams before these are taken to the Ofgem Design Authority. It will also provide expert advice and input on any other issues submitted by the Design Teams and User Groups.

3.2. Some of the papers submitted to the group will be for information only, others will be tabled for a more detailed discussion at the EDAG. Where a paper is submitted for information only, EDAG members will have the opportunity to contribute views to the EDAG chair, either in a bi-lateral meeting or by correspondence.

3.3. The group will provide views and its recommendations, together with supporting evidence and rationale, so that this can be taken into account by the Ofgem Design Authority.

3.4. In meeting its objective the EDAG will:

- Provide strategic assessment across the Switching Programme workstreams including reviewing design principles, workstream work plans and ways of working.

- Review and provide guidance on products and deliverables submitted by the Blueprint Workstreams

- Assess proposals prior to submission to the Ofgem Design Authority and provide guidance and recommendations to the Ofgem EDAG Chair on these proposals.

- Provide advice to the Design Authority when requested

- Provide advice to the Switching Programme on its approach to assessing the impacts of the reforms.

- Identify and flag any risks, issues and dependencies that should be addressed by the Blueprint Workstreams or the Programme Board, as appropriate

- Any assessment and advice provided by EDAG should be given in the context of the overall Switching Programme objective, the Switching Programme Design Principles, the Target Operating Model (TOM) v2 and existing or emerging consumer protection legislation and any other relevant legislation.

3.5. Recommendations put forward by the EDAG will be made, in the first instance, by consensus. If consensus cannot be reached, the EDAG Chair may:

- Send the issue back to the workstream for further development and agree with the workstream lead when it will be resubmitted; or

- Send the issue to the Ofgem Design Authority, noting that a consensus recommendation could not be reached and summarising the views of EDAG on the proposal.

4.   Responsibilities of the EDAG Chair

4.1. The EDAG will be led by Ofgem (the 'EDAG Chair').

4.2. The role of the EDAG Chair is to facilitate discussion across the group, to enable challenge and to ensure recommendations are made, views are passed back into the workstreams, or issues escalated to the Ofgem Design Authority, in accordance with the group's terms of reference.

4.3. The EDAG Chair will also develop and maintain the EDAG work plan and be responsible for delivery against that work plan.

5.   Constitution of EDAG and rules of participation

5.1. Ofgem will invite expressions of interest for membership which will be considered by the EDAG Chair. The EDAG Chair will review expressions of interest to ensure there is appropriate representation from industry parties before formally confirming members of the EDAG. The EDAG

Chair may also invite specific parties to join the EDAG if there is a requirement for particular expertise.

5.2. During the Blueprint Phase, the group will meet approximately every month or as needed in the view of the EDAG Chair. The meeting frequency will be reviewed by the EDAG Chair as appropriate.

5.3. This is a senior-level group whereby EDAG members are expected to be experienced in developing policy and service design and have a strategic understanding of the workstream areas. Members will include a cross-section of industry representation drawn from suppliers, network operators, code administrators, the DCC, consumer bodies, technical advisors and government.

5.4. A member is expected to be sufficiently empowered by their respective organisation to agree recommendations and actions on behalf of that organisation. Members representing a constituency should come prepared to state the views of those bodies they represent. For the avoidance of doubt, advice provided by EDAG members should be provided in the context of paragraph 3.4 (last bullet).

5.5. For consistency, members shall be named individuals. Members should have capacity to attend monthly meetings and are asked to make every effort to attend in person. A named alternate for each member shall be identified to ensure that meetings can take place where members are not able to attend. Alternates shall only attend when the member is not able to attend.

5.6. Where a member (or its affiliate) identifies that it wishes to participate in any of the tender exercises associated with the switching programme this must be declared as soon as practicable to the EDAG chair. Ofgem will then review whether the participant should continue to participate in the group, taking account the views of relevant parties and any mitigating strategies.

5.7. Ofgem will have the discretion to invite interested parties on an ad-hoc basis to attend any meeting to discuss specific issues. Members will provide recommendations to Ofgem as appropriate on additional ad-hoc attendees to be invited.

5.8. For the avoidance of doubt, any discussions in meetings and views expressed or implied in such discussions, or in associated documents, are without prejudice to, and shall not limit the discretion of the Ofgem programme team with regard to final decisions. Equally, views expressed by participants during meetings will not be treated as the formal position of the organisation they are representing and will in no way prejudice consultation responses.

5.9. EDAG members shall cease to be a member if they:

- Fail to constructively contribute to the workstream work programme, or
- There are other circumstances that, in the view of the C WS lead, would mean that the continued participation of the members would be to the detriment of the achievement of the objective of the workstream.

5.10. It is the responsibility of the members to ensure compliance with competition law while participating within this group.

6.   Transparency

6.1. The schedule of meeting dates, agendas and minutes for the meetings will be published[1], in a timely manner, on the Ofgem website.[2]

7.   Administration

7.1. Ofgem will provide secretariat support to EDAG.

7.2. The Ofgem secretariat will provide agendas and papers at least 5 working days in advance of each meeting and summarise key decisions and actions within 10 working days of each meeting.

7.3. Meetings will be held at Ofgem's offices at Millbank, London unless otherwise notified.

8.   Amending these terms of reference

8.1. The terms of reference for EDAG and its membership may be reviewed at any time by the EDAG Chair to ensure that they remain appropriate for the requirements of the Switching Programme.

8.2. Members of EDAG may request that the EDAG Chair undertakes a review of these terms of reference and membership of the group.

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[1] Before deciding whether to publish any information relating to the affairs of a particular licence holder or business, Ofgem is required to consider whether it is appropriate to redact any information on the basis that the information would or might, in our opinion, seriously and prejudicially harm the interests of that person ("confidential information"). In order to enable Ofgem to conduct this assessment (in the event that the possibility of publishing information is considered), workstream members should indicate whether they consider any information to be confidential. Where appropriate, we may seek further representations from licence holders at a later stage in respect of any specific information Ofgem is proposing to publish for any other purposes.

[2] https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/smarter-markets-programme/switching-programme