DRAFT Minutes of the External Design Advisory Group (EDAG) meeting

Meeting 2 – 11 February 2016

Introduction

1. Angelita Bradney (AB) welcomed EDAG members. A list of attendees is available at the end of this document**.** Apologies had been received from Tom Chevalier – AMO, Alison Russell – Utilita and Eric Graham – TMA. The alternates were Dan Alchin for Rosie McGlynn – Energy UK and Martyn Edwards for Adam Carden – SSE.

Minutes and actions

2. Members approved the minutes to EDAG 1 without any amendments. Members agreed that minutes should be attributable.

3. AB reviewed the actions from the previous meeting and a summary is provided in the table at the end of these minutes.

4. Ofgem agreed to follow-up with those members that were not able to access the links to meeting papers from the Agenda.

Action: Ofgem

Design Authority

5. Nigel Nash (NN) presented slides 3 to 7 on the role and responsibilities of the Ofgem Design Authority.

6. Tabish Khan (TK) said that it would be useful for EDAG to see a record of the debate at Design Authority. NN said that a minute would be published of the Design Authority's decisions on proposals with its reasons.

7. Ed Reed (ER) questioned how often the Programme Board would meet and how they could avoid causing a bottleneck. AB said that Ofgem was developing a forward look for when decisions were required by the Design Authority to help it plan its activity. The Design Authority would escalate decisions to the Programme Board if necessary, in accordance with its terms of reference.

8. Alex Travell (AT) asked if all decisions would be recorded and how the Design Authority would achieve consensus. NN said that all decisions on policy issues and products would be recorded. Consensus was intended to mean all Design Authority members as it was important to progress with the agreement of all relevant parts of Ofgem that had an interest in that decision.

9. Jon Bennet (JBe) asked if the Design Authority would police the quality of policy papers as that would give EDAG confidence relating to the level of analysis that has gone into each option. NN said that the Design Authority had send back powers if papers are not of the required quality. Ofgem's Design and Impact Assessment team is responsible for assuring the quality of Design Authority papers.

10. Dee Drew (DD) asked how the Design Authority would review design decisions against the design principles, suggesting that it provide a statement with each design decision about how its decision fits with the principles. AB noted that the Design Authority would validate the assessment provided by the Workstream Lead against the design principles and provide a published audit trail.

11. DD requested assurance that the documentation from the Workstreams includes information on the current problems experienced with the switching process to help ensure that lessons are learnt and we don't design a process with the same problems. She suggested that all documents must have a context piece that outlines if the issue of the paper is currently a problem in switching and how it can be fixed in the future. It was also noted that the Programme remains true to blue sky thinking in the development of new processes. Ofgem agreed to consider this request.

Action: Ofgem

EDAG terms of reference

12. No comments were made on the draft terms of reference and these were approved.

Updated programme plan and highlight report

13. Janna Wooby (JW) reviewed slide 9 on the programme plan to Design Baseline 1. She said that an updated plan with dates is expected to be presented to the next EDAG once it had been approved by the Programme Board. JW highlighted that the work on objections and solution architecture is on the critical path for Design Baseline 1.

14. AT welcomed sight of the plan. He said that greater visibility on the detail eg on how each work package fits together with key risks and milestones would help increase confidence. He said that Business Process Design Workstream had many deliverables and it was important to have clarity on these. He said that more information on key outputs and timescales would be helpful to track work progress. JW noted that, pending sign off from the Programme Board, Ofgem will aim to bring a plan with dates to the next EDAG.

Action: Ofgem

15. Gareth Evans (GE) raised a concern that the objections work package was at the end of the business process design, noting that it was an important issue and should be dealt with beforehand. Jason Brogden (JBr) highlighted that work is still ongoing regarding the plan and that the current version is intended to summarise the work still to be done, but it might be necessary at the next EDAG to drop down a level of detail and show what is to be delivered and how the resource will be used to deliver the programme.

16. ER questioned whether external projects from outside Ofgem could affect the programme and whether they should be captured on this plan. JBr noted that the plan has a well-defined scope and that the key dependencies external to the project are PSR and objections policy. There are areas outside the programme's control (e.g. DECC policy decisions, CMA investigation outcomes and half hourly settlement) that may require a change of scope and these will be monitored, but the Programme Board will be keen to deliver against their defined scope.   The Programme Board and Design Authority will ensure that the programme understands the dependencies with other work areas. AB noted that if members feel that there are external factors which may affect the programme, they should raise this, for example at EDAG.

17. JBe noted that it would be useful to see the assumptions that were made to develop the critical path. In response, AB noted that the Highlight Report includes information on the progress against critical path and this will provide context.

18. Mike Harding (MH) questioned how the plan described the objectives and the critical success criteria for each work package. AB said that this information would be made available to EDAG through the product descriptions which will be discussed at the next meeting.

19. JW then spoke to the highlight report, informing EDAG that the aim was to solicit views on it, noting that in the future there will be dates and colour coding (RAG) of deliverables. MH asked if Ofgem could make available a definition of RAG to ensure that everyone has a common understanding going forward.

Action: Ofgem

20. JW said that top strategic risks and issues identified by EDAG will be captured and included in the document. EDAG members requested more visibility on the risks, for example, when new 'red' risks occur or when a red risk turns green. Some EDAG members requesting visibility of all risks that have been identified. AB noted that it was not the responsibility of EDAG to review the programme risks and issues. However, she agreed to consider what further information could be provided.

Action: Ofgem

Switching scenario 1 (Level 1-3) – Business Process Design

21. Jenny Boothe (JBo) said that the Business Process Design (BPD) Team was focusing on seven scenarios which were expected to cover the majority of switching events. There were further scenarios that would then be tested. JBo agreed to circulate the list of scenarios to EDAG via email for comment.

Action: Ofgem

22. EDAG asked if the BPD Team were considering different scenarios for SMETS1 and SMETS 2 smart meters. JBo stated that, for the purposes of business process modelling, they were being considered within a single scenario as there were not expected to be material differences between the two metering specifications.

23. EDAG asked if export meters and HH settlement were being considered. JBo noted that export meters were part of the non-domestic work package, and that HH settlement may become a policy paper before being mapped in the business processes.

24. JBo reviewed slide 11 and the associated papers on scenario 1 for the switching process. Scenario 1 covered a dual fuel domestic switch where the customer had smart gas and electricity meters. AB noted that EDAG was being asked for initial views and that they would have the chance to comment again before the content was sent to the Design Authority for review.

25. EDAG confirmed that the papers, which showed Levels 1-3 of the business process design, provided the right level of detail for its review.

26. MH raised a point around ensuring that the programme bottoms out issues like unregistered MPANs quickly, which began a conversation around issues. JBo noted that unregistered MPANs is an issue which BPD is working on and asked for a view on any other issues that should be raised with the BPD team so that they can review it. GJ suggested keeping an online log of issues which could be accessed by EDAG rather than distributing a document. AT asked if BPD were using Huddle, to which JBo noted that the Design Team and User Group have access to Huddle to upload documentation and provide comments. AB noted that the programme is planning to use the Ofgem website for EDAG, as the documentation is going to be more widely available. EDAG noted that they would like access to the UG workspace on Huddle. EDAG expressed a desire to have visibility across the documentation in the same way that the UG does. Ofgem felt that the current system of publishing on the website provided more transparency, but will consider giving access to the UG Huddle workspace.

Action: Ofgem

27. EDAG asked if switching business process models are based on the current security key exchange for smart meters. JBo said that BPD is modelling using TCoS. Once there is more certainty on the enduring solution, this would also be modelled. AB stated that it may be beneficial to have someone from the appropriate DECC group that is leading the work on the enduring solution to attend the relevant UG.

Action: Ofgem

28. EDAG requested that business process models be presented with a summary document to help them engage with the content and identify the issues they should consider. It would also help them to understand how the process met the programme design principles. JBo agreed to develop this for future meetings.

Action: Ofgem

29. JBo asked for any specific comments on switching scenario 1. Gavin Jones (GJ) suggested the addition of 'data in' and 'data out' items in the Level 3 scenarios to help highlight the flow of data throughout the process. He was also concerned about the linearity of L2 diagrams, as the process in 1.2 includes a loop at the end but diagram is linear, requested more clarity around this point. EDAG also said that use of a dotted line to show that the process component was optional, was not clear enough. JBo agreed to take these points away for consideration.

Action: Ofgem

30. DD queried whether switching scenario 1 Level 1 had been agreed by the User Group and was concerned about appointment of metering agents, suggesting that it may be worth beginning to discuss letting some agents drop away as DCC takes on some of that responsibility. More generally, it was noted that the Switching Programme should ensure that it challenges existing thinking in the development of the Business Process Output. AB stated that Ofgem include in the cover note how traditional ideas have been challenged and by whom in the group. JBo noted that the User Group had a long discussion about metering agents, focussing on the question of whether some of these parties are integral for a successful switch. However, continued to model them within the process, as we expect to retain traditional metering requirements. AB noted that the programme needs to make sure it is challenging itself with blue sky thinking.

31. Noting the recent metering agent modification proposed under the BSC, GE asked whether EDAG members would be able to raise code modifications while the SCR was live in order to get the issue onto the table. AW said that Ofgem would review new code modifications on a case-by-case basis. In some instances there may be benefits in making changes now to de-risk programme delivery.

32. Nick Salter (NS) asked how detailed comments should be provided by EDAG members to workstream leads on the papers discussed at EDAG. AB said that these should be sent to the workstream lead directly or to switchingprogramme@ofgem.gov.uk within two working days of the EDAG meeting.

Dual fuel switching policy paper – Business Process Design

33. JBo reviewed slides 12 to 15 and the associated policy paper on dual fuel switching which set out process options for when one fuel switch fails during a dual fuel switch.

34. JBo noted that the User Group's initial view was not to include the ability to link dual fuel switches (Option 2). However, following the meeting, several User Group members had indicated support for Option 3 which allowed suppliers to choose whether to link registration requests so that if one failed, both were rejected. Martyn Edwards (ME), who had also attended the User Group noted the difficulties for parties in providing a firm view without having had the opportunity to reflect on the meeting discussions.

35. EDAG discussed whether suppliers or customers should decide whether a dual fuel switch should be linked. GE said that this requirement should not be extended to the non-domestic market eg for portfolio switches.

36. Citizens Advice felt that Option 3 empowers the supplier and not the customer. It was noted that time constraints may preclude asking the customer. However, this option could lead to TPIs/suppliers asking upfront in the switching process, which could impact on consumer confidence in the process. Some members suggested that it would be best to either have a systemised process or allow supplier discretion and not a hybrid of both.

37. MH suggested that asking consumers, in particular those who were vulnerable could be very confusing.

38. There was wide agreement from EDAG that it would be preferable to design new switching arrangements to allow suppliers the flexibility to link a dual fuel switch if they wished, or allow one to proceed where possible. It would then be up to suppliers to ensure that this was operationalised appropriately with consumers. AB noted that there was some tension between choice and the speed of the switch. More information was requested on cooling off, objections to allow EDAG to reach a firmer conclusion.

39. There was no support from EDAG for Option 1 and some limited support from for Option 2.

Long list of delivery transition options – Delivery Strategy

40. Graeme Barton (GB) reviewed [slides 16 to 25](). The purpose of the discussion was to highlight the transition options identified and see if any could be ruled out. The options were a "big bang" or variants of a phased transition.

41. EDAG provided a steer that a big bang approach was likely to be preferable and a phased transition should be used where this was not appropriate.

42. EDAG supported Ofgem's initial assessment of the options and said that further analysis would be needed when there was more detailed information on what was to be implemented. It would be pertinent to keep all of the options open until there is more clarity on the requirements.

43. Some EDAG members noted that some of the phasing options might still be constrained if not all suppliers were ready to take part. The ability to lose customers quickly but take them on using longer timescales was thought to have some merits here.

44. EDAG advised that the ability to explain the phasing approach clearly to consumers was important. Some options, eg phasing geographically may be confusing.

45. Another potential approach was for the CRS to be able to accommodate data exchange with suppliers using both the current and new arrangements. This would increase central CRS costs

but could have overall benefits. One party said that late adopters should bear this additional cost.

46. One member was concerned that each option was being given parity despite the majority of EDAG preferring a big bang, however, some considered it too early in the programme to rule anything out and there are lessons to be learned from other IT system implementations around big bang approach.

47. One member raised a concern that if a big bang approach was adopted and the data became corrupted, or a big bang approach failed for another reason it would be useful to have a fall-back position available. Barry Coughlan (BC) noted that this is one of the reasons why the phased options are still on the table.

48. One idea that was suggested by EDAG was to provide a discrete pilot prior to a big bang transition, which was identified by GB as an option similar to phased migration ahead of a big bang. It was noted that solution architecture would inform these strategies and as such it would be preferable not to exclude any at this point.

49. EDAG discussed whether phasing by fuel type would be such a poor customer experience that it may not be viable, or whether the several million homes without gas could make it worth consideration.

50. BC noted that at this stage of development, the options have been kept as black and white as possible, but once the solution architecture is better known, it would be possible to develop a holistic approach which uses aspects of some of the other options to compensate any shortcomings of the main transition strategy.

51. EDAG discussed the risks surrounding transistion options, such as the complexity and timing of transistion options, the volume of data migration, costs, customer constraints and how ready suppliers will be when it comes to big bang/phase by supplier options. It was suggested that more thinking was required to properly quantify the risks before making a decision on transition options.

52.

53. Finally, EDAG discussed the progressive migration option, where data items are moved across to the CRS in phases, with some members raising issues with the reliability of migration as the aim is for faster and more reliable switching.

54. BC noted, looking forward, that the Delivery Strategy Workstream will be prioritising work on selected phasing options . However, once the solutions architecture position is clearer, there will be a 'mopping up' process to see if any new options are thrown up and also consider if some aspects of the phasing options can act as controls for the negative aspects of the chosen transition approach.

AOB

55. AW then introduced the query log, which is currently being developed as a tool to raise issues or queries and to allow the programme to manage them effectively. In doing this, Ofgem were aiming to learn from how this was managed for the Smart Meter Implementation Programme. A proposal for discussion would be presented at the next EDAG.

56. AB noted that the agenda for EDAG 3 would include final recommendations on switching scenarios 1 and 2 before these were presented to the Design Authority..

END

Attendees

Nick Salter- Xoserve
Dee Drew - EDF Energy
Joanna Ferguson - NGN
Gavin Jones - Tech UK
Daniel Walker-Nolan - Citizens Advice
Alex Travell - E.ON
Dan Alchin - Energy UK
Patrick Whitehead - DECC
Nick Taylor - DECC
Ed Reed - Cornwall Energy
Natasha Hobday - First Utility
Jonathan Bennett - DCC
Mike Harding- Brookfield Utilities
Gareth Evans - ICOSS
David Crossman - Haven Power
Richard Sweet - Scottish Power
Leyton Jones - Ovo Energy
Collin Hollins - CNG
Tabish Khan - British Gas
Hazel Ward - Npower
Andrew Humby - Utiligroup
Peter Seymour - Laurasia
Martyn Edwards - SSE
Angelita Bradney - Ofgem (Chair)
Nigel Nash - Ofgem
Andrew Wallace - Ofgem
Janna Wooby - Ofgem
Jenny Boothe - Ofgem
Graeme Barton - Ofgem
Barry Coughlan - Ofgem
Chris Spedding - Ofgem
Fatima Zaidi - Ofgem
Jason Brogden - Ofgem programme assurance consultant

Summary of actions

No.	EDAG meeting	Action	Responsible party	Update	Status
1	EDAG 1, 14 Jan 2016	Ofgem agreed to publish a list of the members of each of the workgroups in the Switching Programme.	Ofgem	Published on Ofgem website 4 Feb 2016 here	Closed
2	EDAG 1, 14 Jan 2016	Ofgem agreed to consider EDAG members' request for sight of relevant programme management materials such as the PID, the programme validation review summary and product descriptions.	Ofgem	Summary of Programme Validation Review, Summary Assurance diagram and Highlight Report published 4 Feb 2016 here Product Descriptions to be provided for EDAG 3 on 15 March	Open
3	EDAG 1, 14 Jan 2016	Ofgem agreed to review requests from EDAG members to publish, on the Ofgem website, an overview of each workstream's progress.	Ofgem	Monthly highlight report to be provided to EDAG. First report published on 4 Feb 2016. here	Closed
4	EDAG 1, 14 Jan 2016	Ofgem agreed to consider requests from EDAG members to provide more clarity around the scope of the Design Authority (DA), specifically on its approval role.	Ofgem	To be presented to EDAG 2 on 11 Feb 2016. See meeting slides here	Closed

5	EDAG 1, 14 Jan 2016	Ofgem to publish a forward work plan for EDAG so that members could better understand what and when issues would be brought them for review.	Ofgem	To be presented to EDAG 3 on 15 Mar 2016 after Programme Board sign off plan	Open
6	EDAG 1, 14 Jan 2016	Ofgem agreed to set out future dates so that parties could hold these in diaries.	Ofgem	Dates to Dec 2016 included on agenda for EDAG 2	Closed
7	EDAG 1, 14 Jan 2016	Ofgem to consider points made on Design Principles with a view to taking an updated version to the Switching Programme Board for agreement.	Ofgem	Updated version of Design Principles agreed by Switching Programme Board on 25 Jan 2016. See paper here	Closed
8	EDAG 2, 11 Feb 2016	Ofgem agreed to follow up with those members who were unable to access links in the EDAG 2 Agenda.	Ofgem		Open
9	EDAG 2, 11 Feb 2016	Ofgem agreed to consider including information on current problems with the switching process in documentation produced by the Workstreams.	Ofgem		Open
10	EDAG 2, 11 Feb 2016	Ofgem will aim to bring an updated plan to Baseline 1 which includes dates, pending Programme Board approval, for EDAG 3.	Ofgem		Open
11	EDAG 2, 11 Feb	Ofgem will define Red, Amber, and Green in	Ofgem		Open

	2016	the context of the level of risk in the Highlight Report.			
12	EDAG 2, 11 Feb 2016	Ofgem will consider what further information can be provided within the Highlight Report to provide EDAG with greater visibility over risks and issues.	Ofgem		Open
13	EDAG 2, 11 Feb 2016	Ofgem will circulate the list of switch Scenarios that will be modelled by BPD for review by EDAG.	Ofgem		Open
14	EDAG 2, 11 Feb 2016	Ofgem to consider giving EDAG access to Huddle.	Ofgem		Open
15	EDAG 2, 11 Feb 2016	Engage with DECC on ECoS and TCoS to request attendanceat the relevant UG meeting.	Ofgem		Open
16	EDAG 2, 11 Feb 2016	Ofgem will provide a summary document with the business process models to identify key issues, content and materiality.	Ofgem		Open
17	EDAG 2, 11 Feb 2016	Ofgem will consider altering the dotted line convention, and the linearity of Scenario 1, 1.2, and including 'data in/out' items in the Level 3 documentation.	Ofgem		Open