

**DRAFT Minutes of the External Design Advisory Group (EDAG)  
meeting****Meeting 8 –25 July 2016****Introduction**

1. Angelita Bradney (AB) introduced the meeting and welcomed EDAG members. A list of attendees is available at the end of this document.

**Minutes and Actions**

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

**Cooling Off-Business Process Design (BPD)**

3. Colin Sawyer (CS) gave a brief overview of the Cooling Off policy paper. The paper addresses the implications of this policy objective and considers how it can be delivered in a way that is simple and clear for consumers.
4. David Crossman (DC) stated that the new arrangements for cooling off should be simple and easy for the customer and allow for continuous billing. He noted that Ofgem's proposals went beyond the "cancellation right" in the cooling off regulations. The consumer research highlighted that double billing was a concern. Option 5 could put the customer at a disadvantage. If a customer cools off and wants to switch back to Supplier A, he would end up receiving a bill from new supplier (Supplier B) for the short period of supply for a contract the customer had cancelled. DC's preference was for Option 4 as this enabled continuous billing.
5. Adam Carden (AC) said that Supplier B does have a right to bill for his consumption under the regulations. A switch back to the previous supplier along with continuous billing is very complex and would require regulatory changes. He added that there will always be continuous supply even if a customer cancels the contract, so the key questions are what are the terms of supply and who is that supply from.
6. Mike Harding (MH) highlighted that the aim of the Switching Programme was not just faster switching but also more reliable switching. Increased simplicity and reliability are critical to programme success. A complex system would increase dependency on human intervention. It is also necessary to ensure that the customer has the right level of information to make an informed choice. MH said that he did not prefer option 5.
7. Gavin Jones (GJ) stated that he was interested to know which option was the cheapest to implement particularly with respect to customer engagement (call centres etc.). Attendees

discussed various scenarios with continuous billing which could make it difficult to manage issues in call centres.

8. Paul Saker (PS) stated that option 2 in the Cooling Off paper seemed cheapest to implement. There was a danger in designing a complex process for a small segment of the market.
9. CS informed EDAG that the BPD User Group felt that continuous billing would lead to a need for suppliers to create customer service teams dedicated and trained to deal with returning customers, continuous billing and other complex issues such as erroneous transfers.
10. Another attendee said that there will need to be continuous billing for erroneous transfers in the new switching arrangements. There could be ways of implementing continuous billing for cooling off if there is capability in the system for continuous billing in instances of erroneous transfers.
11. Jeremy Guard (JG) stated that continuous billing is in the interest of consumers even if it is difficult for the industry to manage. However, the capability/functionality for continuous billing to deal with erroneous transfers will be built in the system. So if there is continuous billing in case of cooling off, it is just about the legal arrangements and increased volume of switches going through the process and not about additional complexity in the process. There is a need to consider what the additional/differential costs would be.
12. AC stated that the legal framework is different in the case of an erroneous transfer as the customer never entered into a contract with the new supplier they were switched to. However, after cooling-off, if a supplier decides to switch back to A, supplier B has the right to charge for his supply.
13. Adam Boorman (ABo) said that he would prefer a solution that minimizes the investment requirement for smaller suppliers and potential new entrants. An option that adds to the costs would pose an additional barrier to entry given the limited resources and the extent of ongoing transformation/change in the industry.
14. Tabish Khan (TK) stated that option 2 seemed most cost efficient. He felt that there were issues with option 5 and that with this option there is a need to consider if the process can be made simpler for consumers.
15. CS stated that there is a challenge of dealing with prepayment customers with continuous billing in that the customer would already have paid Supplier B for energy consumed. As such continuous billing does not readily apply for prepayment customers. EDAG members were against any differential treatment of prepayment and credit customers.
16. MH stated that prepayment customers should not be worse-off because of continuous billing. Other attendees also discussed scenarios which could lead to issues about refunding prepayment customers and impact customer experience negatively.

17. Alex Belsham-Harris (ABh) stated that the new processes should not prevent prepayment customers from exercising their cooling off rights. Customers could even cancel their switch if they find the process to be too complicated. He also said that there should be a smooth process for customers wishing to switch on to C after they had cooled off from the new contract with B.
18. In response to a question by HW, CS stated that access to half hourly interval data on smart meters may present some complexities for continuous billing. If supplier A is signing a customer back and doing continuous billing for a period supplier B was registered, supplier A may need to renew the customer's consent before accessing half hourly data.
19. EDAG members were split between options 2 and 5. Some members felt that option 2 was simpler and more cost efficient. Other members felt that option 5 would give consumers greater choice. Several members suggested that continuous billing would provide a better customer experience but members also recognised that it was inappropriate for prepayment customers.
20. There was a desire to understand the cost and complexity that continuous billing might add to the process. Members stressed the need to have a simple and reliable switching process. Attendees also emphasized the need to ensure that customers received information about the process, and their options and rights if they cool-off.
21. AB agreed to consider the cost and complexity that continuous billing would add to the process and the regulatory changes that it may require.

**Action: Ofgem**

#### **Solution Architecture Scoping Options-BPD**

22. Gavin Critchley (GC) gave a brief overview of the solution architecture options. He stated that useful input was received through engagement with market participants but no single option (central data base, middleware or block chains solutions) was supported. There was broad support for middleware as a way to deliver a CRS. Respondents agreed that a centralized solution would be attractive but it is important to ensure that there is enough data to reliably switch consumers.
23. An attendee stated that it is important to take into account the other projects and transformation in the industry. GC stated that the ongoing developments in the industry such as half hourly settlement and smart meter roll out were being considered as well. The solution options will be aligned with the glide path of other projects within the energy industry closer to the RFI.
24. In response to a question, GC said that internal dependencies were also being taken into account such as system upgrades by small and medium suppliers.
25. In response to a comment, GC clarified that the respondents felt that the middleware option was easy and low-risk. Respondents also felt that having a central database was a good idea as long as the data model is broad enough to allow reliable switching.

26. AB stated that Ofgem will review the feedback that has been received and will come to a view on which options will be taken forward and assessed in further detail as part of the RFI.

### **CRS and MIS User Lifecycle-BPD**

27. Jenny Boothe (JB) gave a brief overview of the CRS and MIS User Lifecycles. She said that these diagrams show the process for approving a party to be a Market Intelligence Service (MIS) User or a Central Registration System (CRS) User. The focus is on the governance around the parties accessing the data and not the system design or the qualification process itself.
28. GJ suggested that it is crucial to consider issues related to data access control not just for parties but also for individual users. He emphasized that access control over data is a complicated issue and should be incorporated into the system design. A supplier should only have access to information about his customers or the potential customers not to all the information. JB replied that which parties access the data and for what purpose will be informed by the solution architecture and who has the roles and responsibilities will determine the kind of access controls that need to be in place. The solution architecture will determine who is best placed to maintain the data.
29. GJ reiterated that access control is the most complicated part of CRS and MIS user lifecycles and should not be left till the end. JB responded that this is reliant on the data model, roles of participants and the solution architecture. Once the solution architecture is clearer closer to the RFI, the nature of controls will be easier to determine. Once the solution architecture materializes it will be easy to determine the nature of controls that need to be in place from a systems perspective and the regulatory standpoint as well.
30. An attendee stated that market participants are not static and they may change if there is consolidation within companies (takeovers, mergers) or if some participants withdraw from the market. Therefore, it is necessary to prevent proliferation of market IDs and ensure that one supplier does not have multiple IDs.

### **Data Architecture-BPD**

31. CS provided a status update on the data architecture work. He stated that data is a fundamental part of system design and BPD workstream is considering the CRS data requirements. The work done on information risk assessment and privacy impact assessment on structuring data items is also being taken on board.
32. In response to a comment, CS stated that, the starting point was to determine the information required for each process in all the process models.
33. In response to a query, CS agreed that there is asymmetry between data for gas and electricity and there is a need for harmonizing them. This will be looked at as part of the delivery strategy.
34. In response to a question, CS replied that the BPD workstream was in the early stages of looking at data ownership and stewardship issues. These will be reviewed in greater detail later and will be specified in the Detailed Level Specification phase.

### **AOB**

35. Next EDAG meeting will be on 18 August. Policy issues on erroneous transfers, shortlist of solution architecture options, DCC's Business Case and Procurement Framework will be shared for review.

**Attendees**

Alex Belsham-Harris – Citizen's Advice  
Justin Andrews – Elexon  
Gavin Jones – Tech UK  
Mike Harding – BU-UK  
David Crossman – Haven Power  
Anthony Lewis – DCC  
Joanna Ferguson – NGN  
Jeremy Guard – First Utility  
Colin Blair – Scottish Power  
Paul Saker – EDF Energy  
Andy Knowles – Utilita  
Martin Hewitt – UK Power Networks  
Julie king-Utiligroup  
Adam Carden – SSE  
Hazel Ward – Npower  
Dan Alchin – Energy UK  
Tabish Khan – British Gas  
Nick Taylor – BEIS  
Nick Salter – Xoserve  
Jonathan Ainley – BEIS  
Rachel Clark – Ofgem  
Angelita Bradney – Ofgem  
Nigel Nash – Ofgem  
Colin Sawyer – Ofgem  
Tom Fish – Ofgem  
Jenny Boothe – Ofgem  
Fatima Zaidi – Ofgem  
Heather Bignell – Ofgem

**EDAG Action Log**

No.	EDAG meeting	Action	Responsible party	Update	Status
22	EDAG 6, 16 <sup>th</sup> June 2016	EDAG to provide any further comments on switching scenarios by 1 July 2016	EDAG	EDAG and UG to provide any further comments on the updated Casewise models by 5 <sup>th</sup> August	Open
23	EDAG 6, 16 <sup>th</sup> June 2016	Ofgem to develop a more detailed consumer journey map in relation to objections (including the role of TPIs)	Ofgem	In development	Open
24	EDAG 6, 16 <sup>th</sup> June 2016	Ofgem to give further consideration to having a different approach for domestic and non-domestic objections	Ofgem	Discussed in the BPD User Group meeting on 11 <sup>th</sup> July. Ofgem will seek views on objections as part of the RFI.	Open
26.	EDAG 7, 18 July 2016	Ofgem to consider how having a single flow of information in the CRS that includes agent selection information would affect the functionality of the CRS	Ofgem	Underway	Open
28.	EDAG 7, 18 July 2016	Ofgem to consider having discussions with security experts on scrutiny of security requirements for the new switching arrangements	Ofgem	We proposed to set up this group in the DLS phase when IRA will be revised	Open
29.	EDAG 7, 18 July 2016	EDAG to be provided with a view on order of magnitude of DCC's costs in Transitional phase	Ofgem	Update to be provided at 18 Aug EDAG	Open
30.	EDAG 7, 18	Provide clarity to EDAG on timetable for	Ofgem	Update to be provided at 18 Aug	Open

	July 2016	developing DCC's charging methodology for Design, Build and Test and Operation Phases		EDAG	
31.	EDAG 7, 18 July 2016	Provide a summary paper to EDAG on key issues when Procurement Framework and DCC Business Case document presented to EDAG for review	Ofgem	Update to be provided at 18 Aug EDAG	Open
32.	EDAG 7, 18 July 2016	Commercial Design Team to consider renaming the DCC Business Case document	Ofgem	Update to be provided at 18 Aug EDAG	Open
33.	EDAG 7, 18 July 2016	Ofgem to consider developing a paper on the role of PCWs and TPIs in the new switching arrangements	Ofgem	Underway. Update at 18 August meeting	Open
34.	EDAG 8, 25 July 2016	Ofgem to consider the cost and complexity that continuous billing might add to the new switching arrangements	Ofgem		Open