ofgem Making a positive difference
for energy consumers

Update on Reform Packages

EDAG – 21 November 2016

1. To brief EDAG on the thinking behind our initial construction of the Reform Packages to be tested through the RFI

2. To share feedback from the Switching Seminar on 7 November

3. To present an alternative to the Minimal Reform package

4. To seek EDAG views on whether we should test 'Optimise Existing' instead of 'Minimal Reform'

Draft reform packages
(as presented at the Switching Seminar)

DO NOTHING

No system or process changes

No improvement to reliable switching

21 day switch

MINIMAL REFORM

Use existing systems

One off data cleanse to improve reliability

Key process changes to deliver 3 to 7 day switch

MAJOR REFORM

New central switching service (core data)

Enduring reliability improvement to MPxN/address data

Harmonised and simplified next day switching process

FULL REFORM
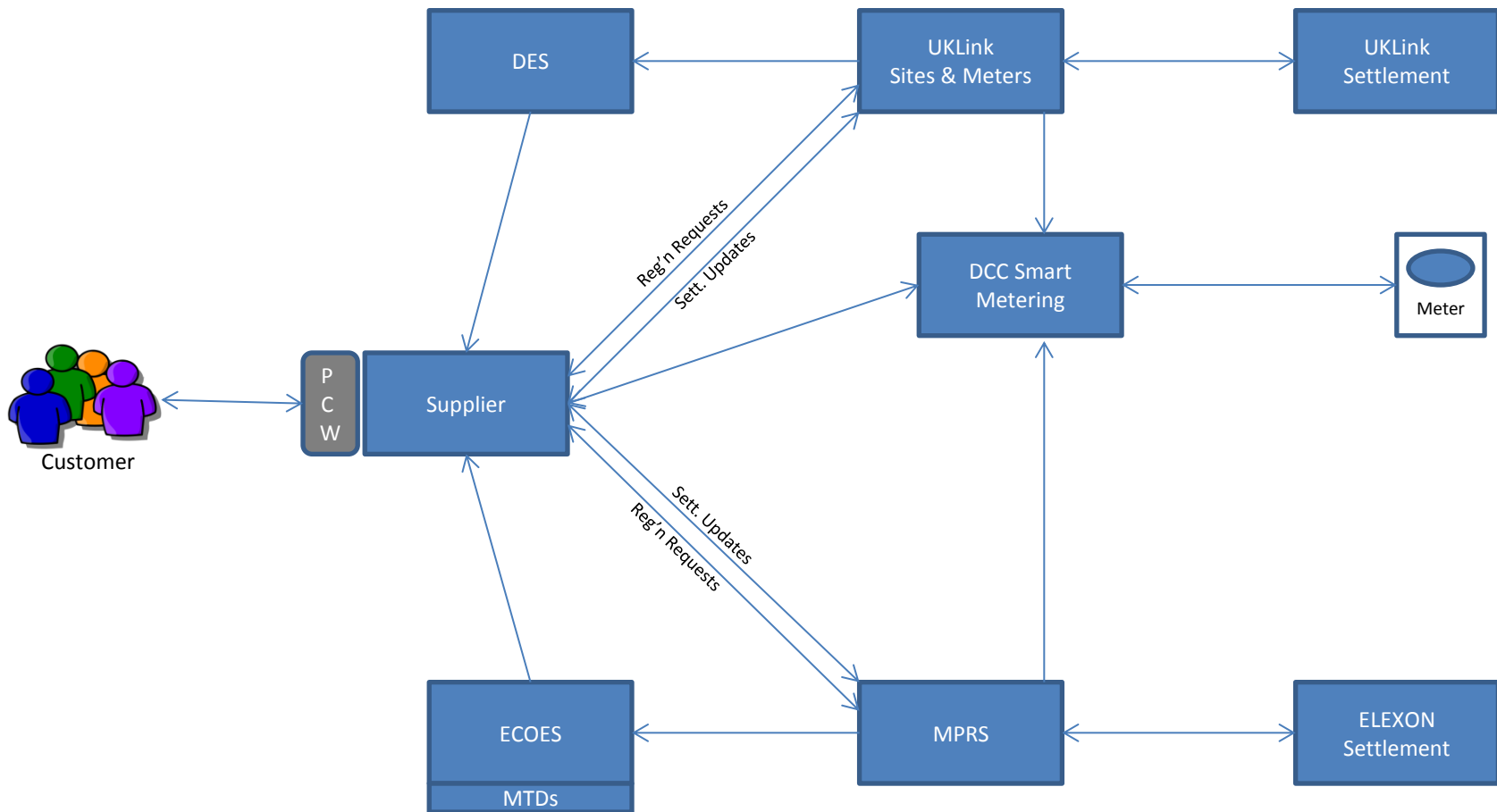New central switching and market intelligence services

Enduring reliability improvements, and improved access to broader range of switching data

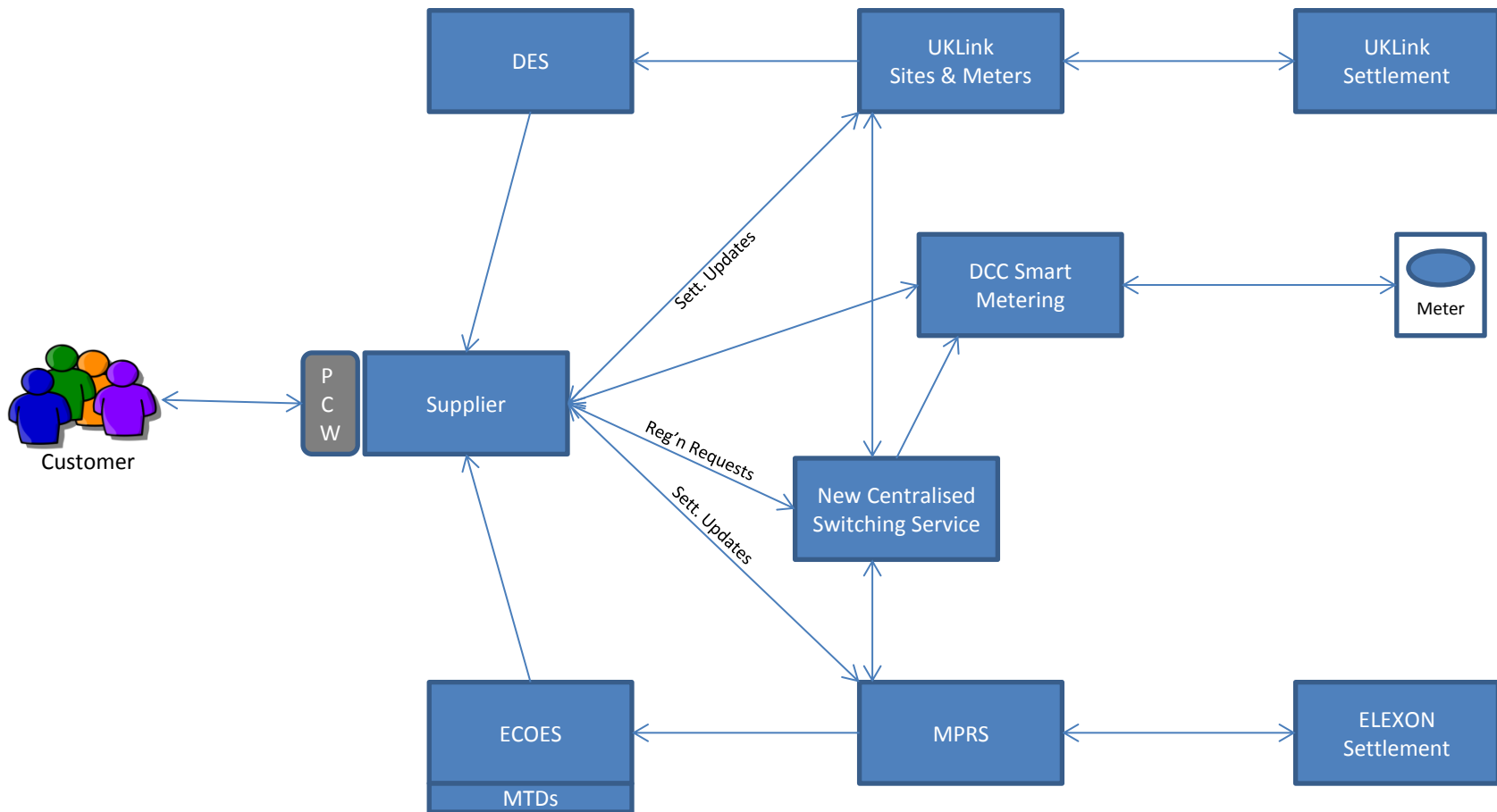Harmonised and simplified next day switching process

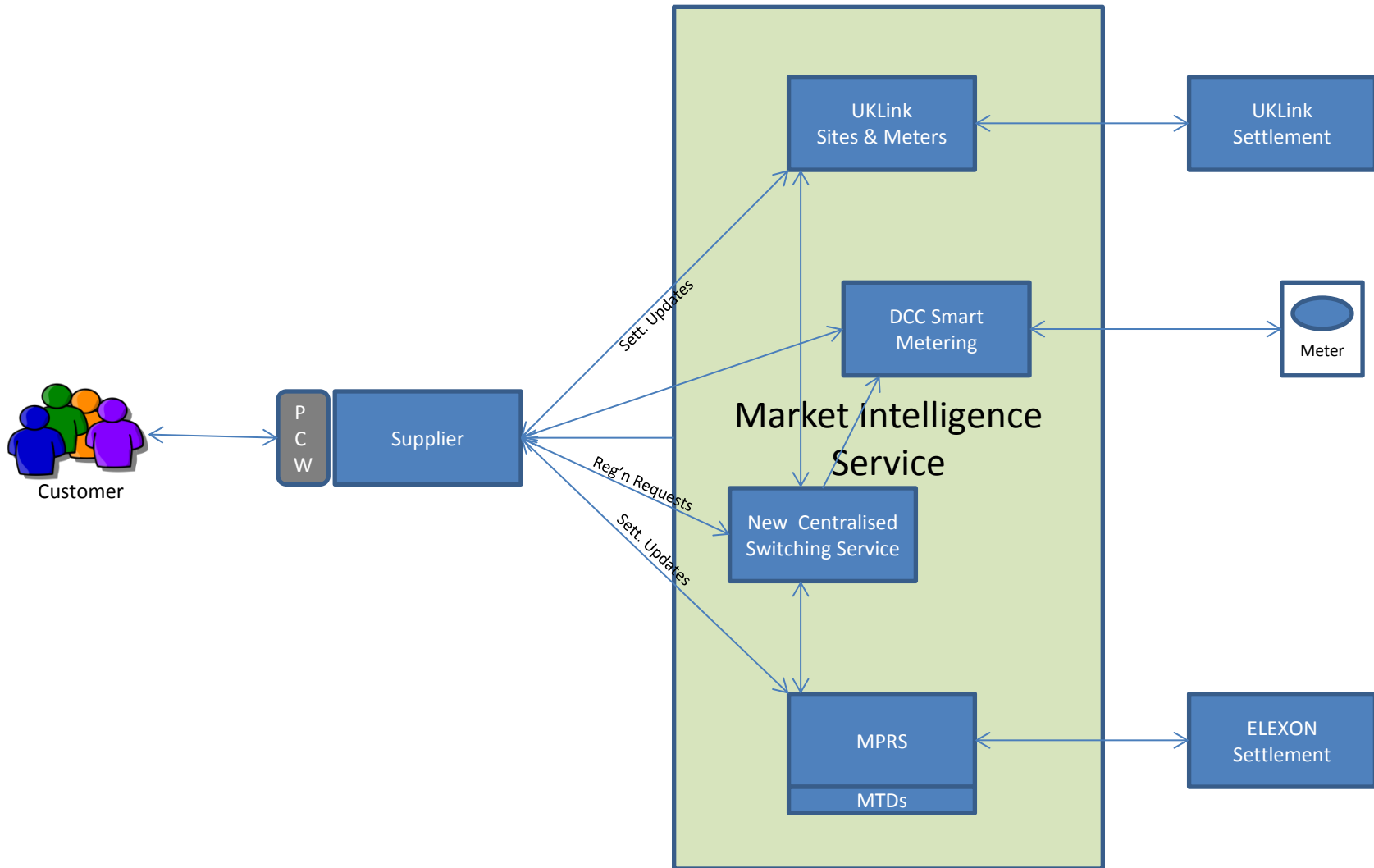Potential consumer benefits

Scale of challenge

Minimal Reform	Major Reform	Full Reform
• Objections window reduced to 1WD	• New Centralised Switching Service (CSS)	• As for Major Reform, plus….
• Gas confirmation window reduced to 1WD – this applies to all packages	• MPRS and S&M modified to accept changes from CSS and to remove switching functionality	• New Market Intelligence Service (MIS) – all switching, meter point, settlement and meter asset data (incl. smart) accessed via MIS
• No nominations for LSPs – data to be published by GTs – this applies to all packages	• MPRS modified to handle: related MPANs; exports	• ECOES and most of DES are withdrawn
• Suppliers support 'equivalent terms' for cooling off returns – this applies to all packages	• ECOES, DES and Smart accept updates from CSS	• MPRS modified to handle MTDs
	• Losing suppliers respond instantly to objection requests	• Data 'scraped' from transactions (e.g. MAP) available via MIS
	• MPxNs linked via GB address register	• All relevant transactions carried over single network
	• Shipper and agent IDs recorded in CSS (MOP, DA, DC, MAM, MCP)	• MIS available 24x7
	• Dom / non-dom recorded in CSS	
	• Smart meters updated before switch becomes effective	
	• CSS, supplier objections and ECOES & DES available 24x7	
	• Central M-number helpdesk with 2nd line support from networks	

7

Minimal Reform	Major Reform	Full reform
• Invitations to object received by the incumbent supplier by 6am to be responded to by 6pm	• Instant objections = <2 secs	• Assumptions as for Major Reform plus ….
• TCoS process applies to updates to smart meter security credentials - this applies to all packages	• Additions / changes to MPxNs are passed via DTN to CSS daily (WD?)	• All relevant messages to be carried over DTN (to allow 'scraping' by MIS)
• NEXUS and CMA reforms (including PCW access to ECOES and DES) fully implemented - this applies to all packages	• Switches are passed via DTN from CSS to networks at gate closure every calendar day (and processed daily in MPRS and S&M)	• PCWs access to data will be via MIS
• Gas: from 3Q17 agreed reads and ETs will be exchanged via DTN – this applies to all packages	• DCC to operate as data steward for CSS data (incl. premises address)	
	• Gate closure is at 5pm for switch at midnight	
	• Standstill = 5 calendar days for all meter points (zero for ETs)	
	• Maintenance outage slots will be agreed for all services	
	• For security, JSON type XML messaging based on SAML 128/256 PKI encryption	
	• Capacity = current switching rate + [50%?]	

Minimal Reform	Major Reform	Full reform

• Cooling off:
   • (Central case) Equivalent terms on return to A
   • No obligation to offer equivalent terms
• Definition of 'day':
   • (Central Case) All time periods expressed in working days
   • All time periods expressed in calendar days (and systems operate 24x7)
	• Objections:
	   • (Central case) Instant reactive (<2 secs)
	   • Instant with pre-loaded objections database
	   • Compressed window (assume 5 working hours)
	   • Mixed: dom = instant and non-dom = comp. window
		• MIS:
		   • (Central case) DCC procured and operated MIS
		   • MIS procured and operated by industry

ofgem | Making a positive difference for energy consumers

- The existing arrangements could be 'tuned' to allow faster switching (as described in the Minimal Reform package)

- A number of steps could be taken to improve reliability under the existing arrangements, for example:

  - Coding Related MPANs in MPRS
  - Adding MAP ID to MPRS and UKLink
  - Adding Import/Export and Dom/Non-dom indicators to MPRS
  - Matching addresses in UKLink and MPRS to a GB Address List

- These steps could be pursued under industry governance but we are considering whether they should be incorporated into the Minimal Reform package

Minimal Reform	Optimise Existing	Major Reform
• Objections window reduced to 1WD	• Objections window reduced to 1WD	• New Centralised Switching Service (CSS)
• Gas confirmation window reduced to 1WD – this applies to all packages	• Gas confirmation window reduced to 1WD – this applies to all packages	• MPRS and UKLink modified to accept changes from CSS and to remove switching functionality
• No nominations for LSPs – data to be published by GTs – this applies to all packages	• No nominations for LSPs – data to be published by GTs – this applies to all packages	• MPRS modified to handle: related MPANs; exports
• Suppliers support 'equivalent terms' for cooling off returns – this applies to all packages	• Suppliers support 'equivalent terms' for cooling off returns – this applies to all packages	• ECOES, DES and Smart accept updates from CSS
	• MPxNs matched to GB address list	• Losing suppliers respond instantly to objection requests
	• MPRS modified to handle: Related MPANs; import/export; dom/non-dom	• MPxNs linked via GB address register
	• MAP ID maintained in UKLink and MPRS (and MAPs notified at switch)	• Shipper and agent IDs recorded in CSS (MOP, DA, DC, MAM, MCP)
	• API links to ECOES & DES	• Dom / non-dom recorded in CSS
	• MAM unbundled to MOP and MAP	• Smart meters updated before switch becomes effective
	• [Harmonisation of advance registration and standstill periods]	• CSS, supplier objections and ECOES & DES available 24x7
		• Central M-number helpdesk with 2nd line support from networks

Note: The 'Full Reform' package would be retained – it has been left off this slide for ease of presentation
Entries in red represent features that are only delivered by the 'Major' and 'Full' reform packages

11

- Initial reactions from EDAG members

- Written feedback to switchingprogramme@ofgem.gov.uk by 28 November

- Design Authority meeting is on 30 November