

# PNSF Meeting Minutes

## 1.1. Purpose

The purpose of this document is to capture details of the Project Nexus Sponsors Forum meeting in order facilitate wider sharing of information and confirmation and follow up of actions.

## 1.2. Meeting Details

<b>Meeting Name:</b>	Project Nexus Sponsors Forum
<b>Meeting Date:</b>	10/02/17
<b>Meeting Time:</b>	10:00 am – 11:00 pm
<b>Meeting Format/Location:</b>	Ofgem, London and WebEx facility
<b>Chaired by:</b>	Dermot Nolan
<b>Minutes recorded by:</b>	PwC

## 1.3. Meeting Attendees

Group	Company	Representatives	Company	Representatives
6 Largest Suppliers	British Gas	Catherine O'Kelly	Ofgem	Dermot Nolan Jon Dixon Nicola Garland James Soundaraju
	EDF	Jim Poole		
	E.ON Energy	Ed Tarelli		
	NPower	Hazel Ward Angela Onions		
	Scottish Power	Douglas McLaren		
Challenger	Better Energy	Martin Thomas	PwC	Steve Mullins Richard Shilton Melisa Findlay Brett McGowan
	Co-Operative Energy	Mark Billsborough		
	Flow Energy	Robert Cameron-Higgs		
	First Utility	Natasha Hobday		
	OVO	Martin Arcari		
GT	National Grid Transmission	Chris Logue	PwC	Steve Mullins Richard Shilton Melisa Findlay Brett McGowan
	SGN	Andrew Quail		
	Wales & West Utilities	Steve Edwards		
I&C	Corona Energy	Justin Price Matt Gray	PwC	Steve Mullins Richard Shilton Melisa Findlay Brett McGowan
	DONG Energy	Jemma Woolston		
	Gazprom	Mark Eccles		
iGT	Brookfield's Utility	Paul Edwards	Xoserve	Lee Foster Paul Toolan
	Energetics	Mark Cummings	Baringa	James Beverley
	ES Pipelines	Robert Wallace		

## 1.4. Meeting Agenda

1. Opening Remarks
2. Programme Status and Position
3. Project Nexus Success Factors
4. Xoserve Readiness
5. Market Participants Readiness
6. Review of Success Factors
7. AOB

## 1.5. Meeting Minutes

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### Item 1: Opening Remarks

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#### Introduction

1. Dermot Nolan (Ofgem) opened the PNSF by welcoming attendees and thanking them for their attendance. Articulating that this would be the last meeting prior to the 17 May 17 Go Live decision and noting;
  - The programme has successfully met three checkpoints, Market Trials Regression, IDR2 and IDR3. This has positioned the programme with an Amber / Green rating.
  - There has been good commitment and collaboration across the industry to get us to this point.
  - Continued collaboration will be required to close out the programme and through the Post Go Live period.
  - Through the assurance processes across industry, no one has been rated as red, however please continue to operate an open door policy and raise any problems.
  - To ensure stability over the Go Live and initial period of operation, Ofgem have implemented a governance freeze. Caveated by any requirement to stand-up ad hoc working groups to resolve issues.

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### Item 2: Programme Status and Progress

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2. Steve Mullins (PwC) provided an overview of the Programme Summary (slide 3 - 4). Noting;
  - As a programme we have navigated through Market Trials and IDR2 and IDR3 and now approach the final cut-over.
  - When we last met in February there were a number of issues that the programme was dealing with:
    - i. The ability to complete Market Trials Regression. This was completed where over 1700+ test lines were completed and closed in a positive position.
    - ii. Data, issues arose around In Flights and data inconsistency between Shippers, iGT and Xoserve but again were resolved through collaboration with the industry and hard work by Xoserve.
    - iii. The upcoming IDR2 and IDR3 which would test Xoserve's cutover end-to-end for the first time. Both executed well, exceeding expectation and further increased the level of confidence.
  - As a result of these successes both Ofgem and Xoserve are expecting that there will not be a requirement to move the June 1<sup>st</sup> implementation date.
  - It is important to recognise that the go-live decision is not a single decision in isolation but rather the culmination of a series of decisions we have taken over the past 9 months.

- All these decisions have been taken through programme governance (PNDG and PNSG etc) and have been supported with evidence and in many cases assurance. In summary, the decisions that have led us to this point are as follows:
  - Exit of Market Trials - Sep 16
  - Exit Manged Market Trials - Nov 16
  - First GONG assessment - Dec 16
  - Code Stability and entry to Market Trials Regression - Jan 17
  - Entry to IDR2 - Mar 17
  - Second GONG assessment - Mar 17
  - End of Market Trials Regression - Mar 17
  - Final GONG assessment - May 17

Question	Response
<ul style="list-style-type: none"> <li>● Are there any key remaining areas of worry which cause concern?</li> </ul>	<p>Cutover remains a complex activity and the bulk of the programmes residual risks lie in this area. However, the success of IDR2 and IDR3 provides confidence that Xoserve are well prepared.</p> <p>Some concern existed around the Post Go Live governance in the immediate period that follows go-live. This has been mitigated through the imposed governance freeze which will allow for continuation of Ofgem sponsorship through this critical period.</p> <p>There were concerns over the approach for Post Go Live releases but again this has been largely addressed through the solution presented to the PNDG 09 May 17 which will be developed further.</p>
<ul style="list-style-type: none"> <li>● With outstanding defects there are c.50 defects that require manual workarounds. Are Xoserve comfortable?</li> </ul>	<p>Yes, these have been assessed by Xoserve's GONG criteria and operations have signed off as being a workable solution (as an aggregate). These can be managed to the same timescales and standards as if automated. Additionally, Xoserve have increased staffing where necessary.</p>
<ul style="list-style-type: none"> <li>● Do any of the participants here have concerns?</li> </ul>	<p>Could the go-live pack be expanded to include some of the underlying data points on which the conclusions are based? Yes, this will be done where possible.</p>

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### Item 3: Project Nexus Success Factors

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3. Rob Salter-Church (PwC) provided an overview of Project Nexus Success Factors (slides 5). Noting;
  - The Project Nexus Success Factors are being used to demonstrate at a high-level why Ofgem have confidence in not changing the Go Live date and are broken into 4 success factors that would generate a comfort level if met.
  - The GONG framework set out 26 criteria across these 4 Success Factors and were an assessment of Xoserve and Market Participants readiness, including the underpinning assurance.

#### Item 4: Xoserve Readiness

4. Chris Murray (Xoserve) provided an update on (slides 6), noting that;
- Xoserve’s view is that the net benefit of going live outweighs the risk of going live or the costs of delay.
  - Xoserve are cautiously confident. This is based upon what they are seeing internally and through independent assurance by Baringa and PwC.
  - The re-plan last year allowed for substantial additional time for dress rehearsals and testing. As such this level of confidence is built on solid foundation.
  - This conclusion has been reached because:
    - The UK Link platform is functioning well and tested.
    - Solution stability is good which is indicated by IDR and MT Regression.
    - The platform works well under load and operational teams are trained and in place ready to respond. Additionally, offshore contracts in place to flex resources.
    - Internal system MIS is to be made available to Market Participants. To enable view of where any problems may arise.
    - 150 identified scenarios have been rehearsed as contingency planning.
    - We are determining the future release scope and timings.
    - There has been a sensible decision by Ofgem to freeze governance.
    - Xoserve expect that the decision will be taken to Go Live.

Finally, Chris Murray reiterated Xoserve’s thanks to the Industry for supporting this process.

Question	Response
<ul style="list-style-type: none"> <li>● Maintaining market reputation is pivotal, do we understand how communications are to be managed in the event of a catastrophic event?</li> </ul>	<p>We all are aware if this went wrong the industry reputation is at stake. Clarity of communications and messages is key and Ofgem and Xoserve will consider this prior to go-live.</p>
<ul style="list-style-type: none"> <li>● Assuming it does go well, are we preparing good communications?</li> </ul>	<p>We want this to be completely invisible so unlikely to say anything until we have gone through a full cycle.</p>
<ul style="list-style-type: none"> <li>● Will help be provided by Ofgem to guide Market Participants in communication process?</li> </ul>	<p>Messaging and communication will be managed through the Governance groups between Ofgem/Xoserve so expectation would be that Ofgem would play a role. We are keen to avoid finger pointing, as said this has been a hugely collaborative effort and something we need to maintain.</p>

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Question	Response
<ul style="list-style-type: none"> <li>Will there be any industry rehearsal of crisis scenarios before the go-live decision</li> </ul>	<p>This is not regarded as a pre-requisite to the decision but is required to be complete prior to the go-live. To that end there is a rehearsal planned either this or next week that will involve a number of participants.</p>

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### Item 5: Participant readiness

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- Steve Mullins then provided an overview Market Participants G1 assessment and portal submissions (slides 7).
  - 40 Market Participants and Xoserve responded to the readiness assessment across 26 criteria
  - Within this 40x26 matrix there was only 1 red cell, which related to a small Market Participant's DR plan.
  - All Market Participants were engaged as we approached G3 with 15 undergoing a formal review. There was only 1 small organisation where we felt their portrayal was optimistic in some areas.
  - The overall colour is predominantly green and any of the issues arising related to issues that we were aware of and are being worked through.

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### Item 6: Review of Success Factors

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- Rob Salter-Church summarised the Review of Success Factors (slides 8 – 12), noting;
  - To strike a balance, the success factors have been summarised to call-out those which have increased Ofgem's confidence level i.e. the level of testing and assurance activities undertaken.
  - The following factors have contributed to Ofgem's recommendation to not change the Go Live date.
    - The decision making process has been centred on the success factors which were informed by a number of SME.
    - There will always be an inherent level of risk but the objective is to make this as near invisible to consumers as possible.
    - There is no cast iron guarantee, but we have managed risk down over last 12 months and believe now is the right time.

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### Item 7: AOB

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- Dermot Nolan brought the meeting to a close thanking those attending for their engagement and support, noting;
  - Overall there is nothing that Ofgem has heard to prevent organisations from going live.
  - The Go Live decision is scheduled to be taken on the 17 May 17.
  - The next PNSF forum will be in Jul 17 before the school holidays.

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