

Switching Programme: Proposed modifications to regulation and governance.

		WPD response
Q2.1	Do you support our proposal to introduce a high level duty upon licensees to cooperate, where appropriate, in delivering the outcome of a significant Ofgem-led programme, such as a SCR?	<p>We are supportive of the proposal to introduce a high level duty upon licensees to cooperate, where appropriate, in delivering the outcome of a significant Ofgem-led programme such as an SCR, however, where there are specific requirements such as “preparation and cleansing of such data” we would require more defined parameters on what the expectations are.</p> <p>We also believe that the proposed generic licence obligation to cooperate should also be placed in the DCC’s licence.</p>
Q2.2	Do you agree that the RECCo should be established earlier than REC v2 in order to assist with the successful delivery of the switching programme?	Yes WPD believe that there will be considerable benefit in establishing the RECCo as soon as possible to assist in co-ordination of the REC proposals and transition into RECv2 and thereafter RECv3.
Q2.3	Do you agree that the bodies constituted under the REC could suitably play a formal part in the programme governance?	Our interpretation of this question is that during the transition period, REC should form a formal part of the governance and during this period REC will be made up of MEC and SPAA as this would provide continuity of governance which WPD would support.
Q2.4	Do you agree that our definition of “large Supplier” in RECv1 is suitable for ensuring an adequate level of engagement with User Entry Process Testing?	Yes we believe that the volume of 250,000 is reasonable and a suitable definition for a “large Supplier”.
Q2.5	Do you agree that it would be appropriate to have in place interim governance arrangements prior to RECv2 coming into effect.	Yes we believe that interim governance should be put in place prior to RECv2 coming into effect to ensure that there is clear understanding and oversight of the requirements.
Q3.1	Do you agree with the proposed powers and functions of the RECCo Board, REC Panel and REC Manager, and how they would be distributed amongst them?	<p>We agree that the RECCo Board should be responsible for the strategic direction and oversee the REC Panel and REC Manager subject to our response in Q3.2. In respect of the REC Panel and REC Manager, their roles and responsibilities need to be clearly defined.</p> <p>Whilst it is not necessary for the REC Manager to be</p>

		<p>accountable to the REC Panel, we see a need for good communication between the two.</p> <p>In addition, we note that in the “Retail Energy Code Appendix”, there is a proposal to have a REC Forum. We would like to understand which industry bodies are to be members and how this forum fits into the REC.</p>
Q3.2	Do you agree with our proposal that independent Non-Executive Directors (NEDs), potentially from outside of the energy industry, should be present on the RECCo Board and that the composition of the RECCo Board should be subject to thorough review, both periodically and/or whenever the scope of the REC/RECCo Board responsibilities changes substantively?	We don’t disagree with the proposal that independent Non-Executive Directors (NEDs) outside of the industry should be on the RECCo Board, however, of the three options set out in the consultation, our preferred option would be (c) as we feel that there should be energy industry representation on the RECCo Board to give expertise on operational and governance strategy.
Q3.3	Do you agree with the proposed composition, powers and functions of the REC Panel?	In the same way that we have responded to Q3.1 and Q3.2, we would agree with the inclusion of non-industry panel members, but we would reiterate that it is essential that industry expertise is adequately represented.
Q3.4	Do you agree that there should be entry and systems testing requirements placed on new entrants, comparable to those that we expect incumbent suppliers to undergo as part of the transition to the new switching arrangements?	Yes, we see merit in requiring new entrants to undergo the same entry and system testing requirements as existing industry parties.
Q4.1	Do you agree with the proposed minimum content for REC v2 (as listed in Appendix 3)? Is there any other content we should consider for inclusion in REC v2? If yes, please provide further details.	<p>We believe that the REC v2 should also include:</p> <ul style="list-style-type: none"> Energy Efficiency (Green Deal) New Connections/Reconnections/Disconnections Vulnerable Customers (PSR) Agent Appointments Customer Appointed Agents Enforceability of supplier Agent Obligations <p>If the principle behind the creation of the REC is to provide rules that are easy to understand by new market entrants and existing industry parties, these areas must also be considered for inclusion in the REC from the beginning to add clarity and consistency. In respect of Green Deal, PSR and</p>

		Customer Appointed Agents, these are customer facing areas and industry must be clear on meeting customer expectations.
Q4.2	Do you agree with our proposal that the REC Code Manager should collate Switching Domain Data and make it available to Market Participants? Or do you consider that the Data Master for each element of Switching Domain Data should make it available to Market Participants?	We agree with the proposal that it is preferable to have one body collating and making the Switching Domain Data available to Market Participants. We believe that the REC Code Manager would be best placed for this function.
Q4.3	Paragraphs 4.20 – 4.24 suggest that the DCC should be subject to a data quality objective and performance standards around the quality of REL Addresses. Do you have suggestions on the quality measure areas and levels quality measures will take? Do you believe that the REC Panel should have a role in setting these targets (initially and/or on a periodic basis.	<p>Yes we believe that DCC should be subject to a data quality objective and performance standards around the quality of REL Addresses.</p> <p>Monitoring of volume of improvements should be from a baseline of metrics.</p> <p>We believe the REC Panel is the correct body to determine what these targets should be and what the baseline should be set at.</p> <p>We also believe that these data quality objectives and performance standards should continue on a periodic basis.</p>
Q4.4	Paragraph 4.25 outlines that the REL Address data quality indicator is currently intended to be an internal measure for the CSS. Do you believe there is value in making this available to other market participants? If so, please provide your rationale for this and outline which market participants should have access.	<p>Yes, we believe that the REL Address data quality indicator should be made available to other market participants.</p> <p>The REL Address quality indicator would assist when trying to validate a customer address, how good the REL Address is. It will also provide a measure of how the CSS is performing in cleansing address data.</p>
Q4.5	Paragraph 4.25 suggests that the DCC should set out the methodology it will apply to meet the REL Address data performance standards on an annual basis. Do you agree that it would be beneficial to make this methodology publicly available?	The methodology used should be made publicly available. We also believe that the methodology should be sent out for consultation annually, even if the DCC believe there are no changes required, to gain industry parties' views on the suitability of that methodology as industry parties may have comments to provide following their experience of using of the REL Address data.
Q4.6	Do you support the creation of an Enquiry Services Schedule in REC v2? If so, which of the options around the requirements (in paragraph 4.32) do you prefer? Please provide details to	<p>Yes we support the creation of an enquiry Services Schedule in REC v2.</p> <p>Of the three Options provided, our suggested preferred option would be Option 2.</p>

	explain your answer.	<p>The reason for our preference for Option 2, is:</p> <ul style="list-style-type: none"> • Option 1 covers governance over non-switching data items which they would not have any interest in. • Option 3 suggests that DES items remain in the UNC and only the ECOES items data access moves to the REC. We believe that this goes against the fundamental principle of the creation of the REC, which is to make it a “one stop shop” of code governance for switching. • Option 2, therefore, appears to be the better option however, we appreciate there is risk in having DES split across the UNC and REC. Therefore, the data items that each code will cover must be very clearly defined.
Q4.7	Do you agree with our proposal to create a REC Exceptions Schedule to be contained in REC v2, with the scope outlined in Figure 3? If not, please provide further details.	Yes we believe that a REC Exceptions Schedule should be contained in REC v2. These are all customer related issues and therefore resolution steps should be clearly defined and monitored.
Q4.8	Do you agree that the grey areas highlighted in Figure 3 should be out of scope of an Exceptions Schedule for REC v2. If not, please provide further details.	<p>Our comments here are purely based on the MRA areas and we have no view in respect of the SPAA.</p> <p>We are unable to comment on the Smart Prepayment Switch Exceptions as this is a Supplier issue. CMRS and Retrospective change are both outside of the switching programme therefore our initial thoughts are that we agree that these should be out of scope of an Exceptions Schedule for REC v2. Further thought will be needed as to where or when these should be brought under the REC.</p>
Q4.9	A list of suggested content for a set of REC Technical Documents can be found in Section 4.44. Do you believe that any of the content listed is unnecessary or is there any content that you would expect to be included? If so, please provide details.	We do not think that any of the contents listed are unnecessary. However, we would suggest that the documents are linked so that there is a clear index of what content can be found where. One issue we have with the SEC documentation is that it is not intuitive enough, therefore, a lot of time is spent locating the required information from the right document.
Q4.10	Do you believe that table 1 captures all of the items that should become a REC subsidiary document? If not, please provide details of the	<p>We would also like to see the following included in the REC Subsidiary documents:</p> <ul style="list-style-type: none"> • There should be an Incident Management

	<p>additional items that should be included and why.</p>	<p>Policy or Issue Resolution Agreement (to include how issues are raised, timelines for resolution of an issue, severity classification of issue, who is the responsible party, lines of communication and regular incident updates together with escalation process).</p> <ul style="list-style-type: none"> • Release Management Policy on how releases of the REC will be scheduled, what changes are in each REC release and version control with thought given to aligning to the Technical CSS Management Document. <p>We would also comment on the suggested subsidiary document 'Outstanding Issues' that is to be included.</p> <p>This document is to provide a list of outstanding issues identified during the implementation of the CSS that will need to be resolved under enduring governance, however, we feel this needs to be better defined as to what it will cover.</p> <ul style="list-style-type: none"> • Will this need to be split between technical issues and other? • Does it need to report end to end issues? • Who wants the information and who is responsible for ensuring the issues are resolved? • To whom is the "list" being provided? <p>We need to take a lesson from the SEC and ensure that the process for identifying and resolving issues from the users' end to end perspective is in place from the beginning.</p>
Q4.11	<p>Do you believe we have assigned the correct responsibility for producing each REC subsidiary document? If not, please provide further details.</p>	<p>Yes we agree that the responsibility for producing each REC subsidiary document has been assigned correctly, however, thought needs to be given to ownership of the documents.</p> <p>For example, the 'Outstanding Issues' document we agree could be produced by the DCC, however, we feel that there should be clarification of who will own this document and ensure resolution of the issues, i.e. the RECCo Panel, that the DCC will be accountable to.</p>
Q5.1	<p>Do you agree with the role we have set out for DCC during the DBT phase</p>	<p>We agree with the roles set out for DCC during DBT. However, industry should have sight of and feed</p>

	and steady state operations? If not, why not?	<p>into their KPI or performance indicators and it should be clear who has oversight of DCC performance to ensure complete transparency.</p> <p>Ofgem’s consideration that RECCo could ultimately become responsible for the CSS is welcomed in light of our concerns of DCC’s management of the Smart Metering Communication Programme and the increasing costs we are experiencing.</p>
Q5.2	Do you believe that our proposed drafting to amend LC15 of DCC’s licence would, if implemented, accurately reflect our expressed intentions? If not why not?	<p>As per our response in Q2.1, we believe that the proposed generic licence obligation to cooperate should also be placed in the DCC’s licence.</p> <p>We also feel that there appears to be a contradiction. The proposed DCC Licence modifications provide the definition of Retail Energy Code Parties as:</p> <p style="padding-left: 40px;">“means persons (excluding the Licensee) who have acceded to the Retail Energy Code on such terms and conditions of accession as are set out in the Retail Energy code, and includes every holder of an energy Licence who is required by a condition of that licence to be a part to and comply with the Retail Energy Code.”</p> <p>This suggests that, as the Licensee, the DCC will not have acceded to the REC, however, Section 5.27 of the consultation states:</p> <p>“... proposing to add a requirement that DCC should become a party to and comply with the REC ensuring that DCC operates in accordance with the agreed implementation performance and reporting regime set out within the REC.”</p> <p>This suggests that the DCC will accede to the REC. We believe that this might be similar to the SEC where the DCC are a SEC Party, but do not have voting rights and have different requirements to other SEC Parties, but seek clarification of the intention.</p>
Q5.3	Do you agree with our proposal to add new CRS specific price control terms. Do you think any of these terms are unnecessary or are there other terms we should consider addition?	<p>WPD agrees that it is prudent to introduce “ex post plus” price control, where DCC is obliged to set out a plan of activity and justify its forecast costs in a business case and report quarterly on expenditure. We are concerned that DCC will levy charges to run and update these business cases and report on</p>

		<p>progress.</p> <p>However, WPD notes that the proposed cost recovery of the REC is solely with suppliers. We therefore consider a DCC cost recovery using current charging methodology would not be appropriate as DNO's currently are charged under DCC fixed monthly charges and this is likely to continue until 2020.</p> <p>In addition, it is proposed to fund establishment of the REC through MRA funding which DNO's are also liable for.</p>
Q5.4	<p>Do you agree with the high-level programme outcomes we believe the programme should look to incentivise? Can you suggest further areas we should look to include and are there aspects you believe should be prioritised?</p>	<p>We agree with the high-level programme outcomes that should be incentivised.</p> <p>Incident Management is also an area that should be incentivised to ensure Service Level Agreements are adhered to and set KPIs. We need to learn lessons from the SEC.</p> <p>No areas should be prioritised. They should all be equal and looking to achieve best practice across the board.</p>
Q6.1	<p>Do you agree with the changes that we propose to make to the scope of the Switching SCR?</p>	<p>Western Power has no objections to the changes proposed.</p>
Q6.2	<p>Are there any further changes that you consider we should make, either to bring something into scope, or to explicitly rule it out of scope.</p>	<p>Yes. We believe that a reference within the scope of the Switching SCR should be made to include an obligation on the DCC to implement the CSS within set timescales. This is based on current experience of the DCC's management of the Smart Metering Communications Programme.</p>
Q6.3	<p>Do you agree with our proposed approach of publishing the drafting of all SCR related changes circa Q1 2019, but waiting until systems have been proven through testing before submitting the proposals into the modifications process?</p>	<p>We agree as we are of the understanding that the documentation being released in Q1 2019, will provide all the required information and details to enable systems to be developed ready for implementation at the end of 2020. If there were to be delays or significant changes to any information that will impact the systems, then there will need to be further thought around the go live date due to additional lead time required for potential system changes.</p>