

SPDG 16.3 Switching Programme Governance

The governance structure for the delivery phase of the Switching Programme

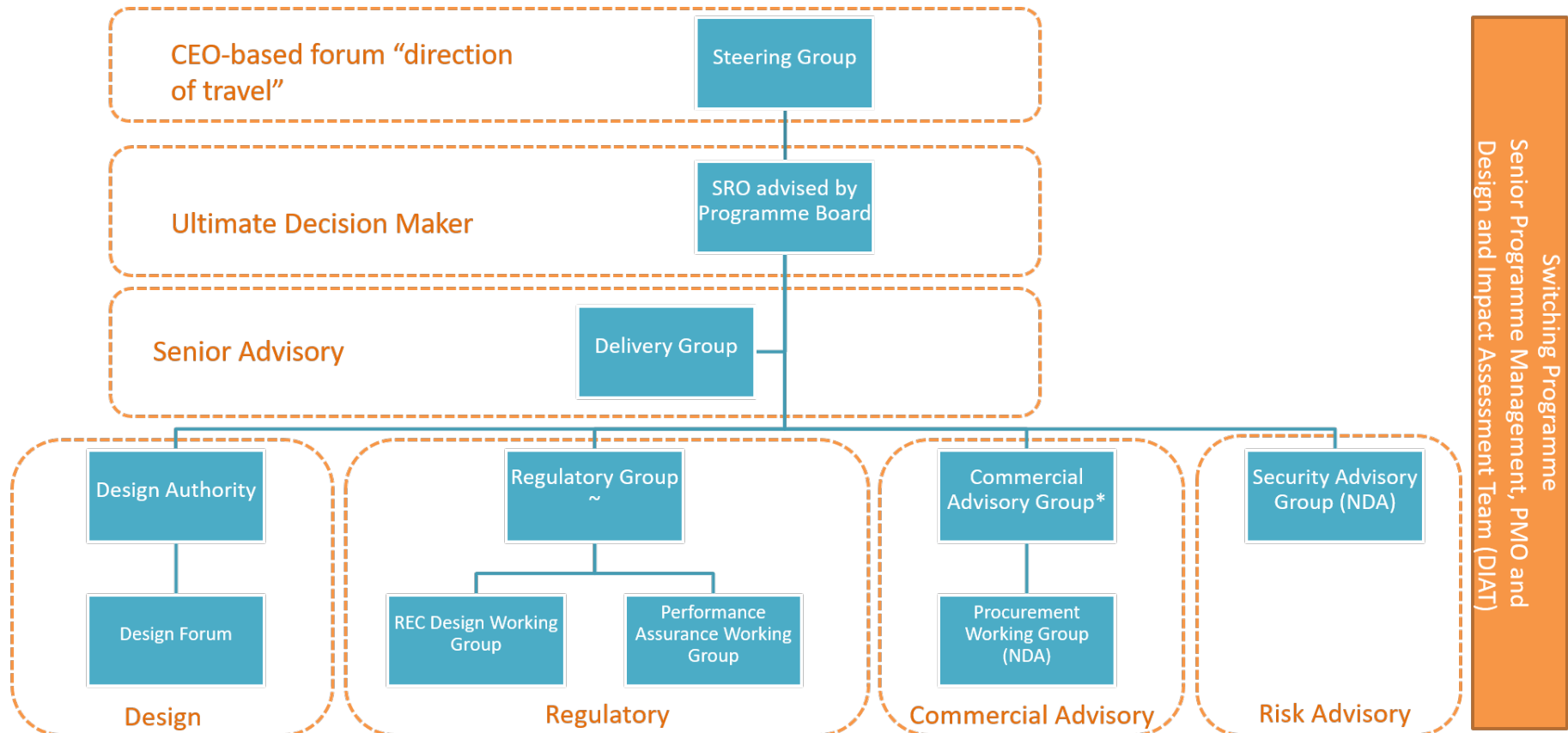




Overview

Key points:

1. We are proposing to hold the governance structure 'steady' for Enactment until the completion of the Final Business Case (FBC) in February 2019
2. After the decision on FBC, we are proposing that a staged transition to the DBT governance should occur to support mobilisation for DBT
3. This would entail closing down the Programme Board, and transitioning the chairmanship of the Delivery Group to the SRO
4. We are proposing that there be a constituency based model at the Delivery Group and the Implementation Group throughout DBT.



Switching Programme Senior Programme Management, PMO and Design and Impact Assessment Team (DIAT)

* - No decision making authority over procurement decisions. Provides advice only on procurement matters.

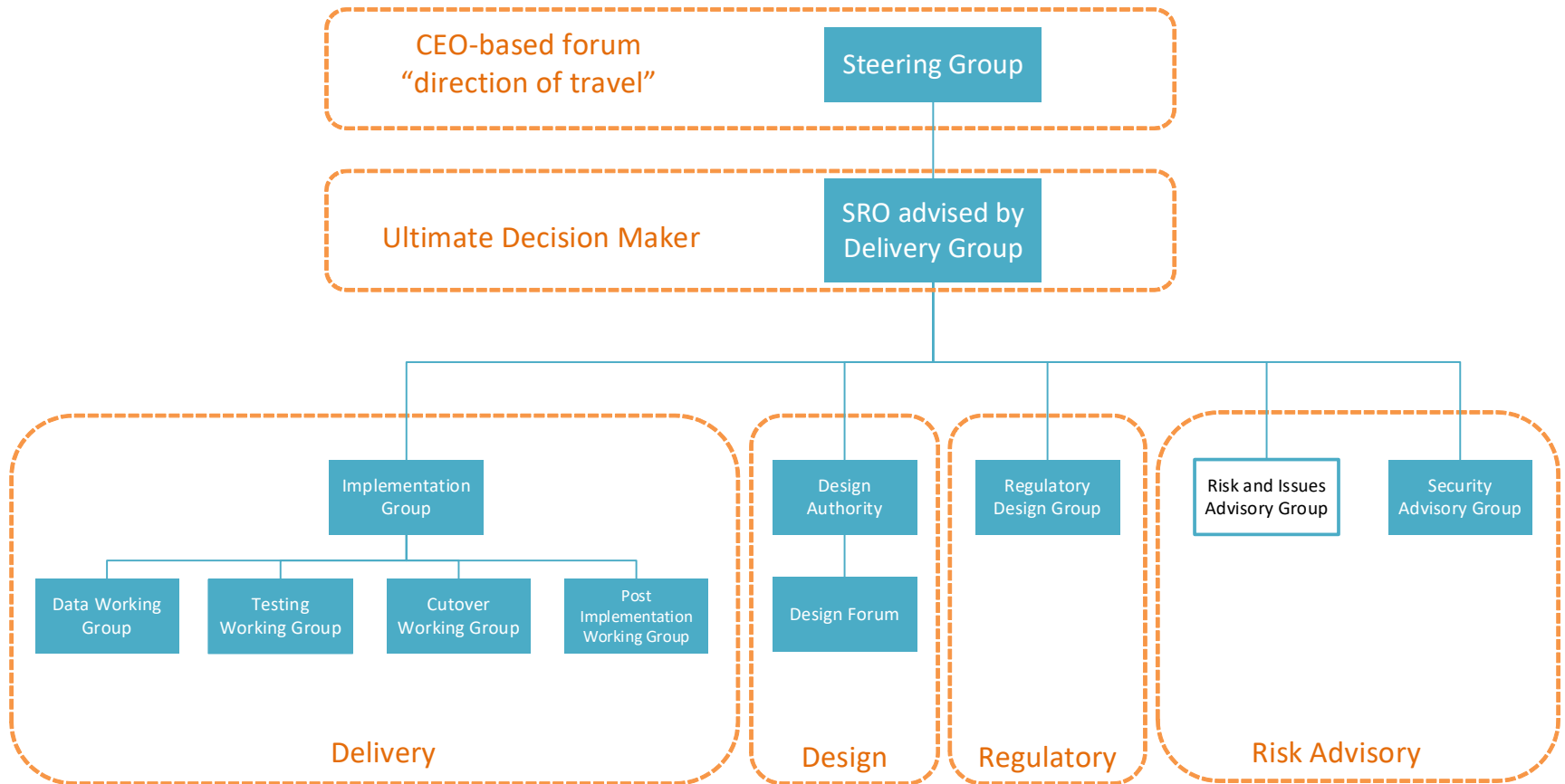
~ - Decision making in Regulatory Group will be subject to Programme approval through Ofgem



Proposed Delivery Governance Structure

Key points:

1. The governance structure proposed is for the DBT phase of the Programme
2. We are proposing to hold the governance structure 'steady' for Enactment until the completion of the Final Business Case (FBC) in February 2019
3. After decision on FBC, we are proposing that a staged transition to the DBT governance should occur to support mobilisation for DBT
4. This would entail closing down the Programme Board, and transitioning the chairmanship of the Delivery Group to the SRO
5. It would also include a membership refresh to ensure that industry representatives with delivery experience are sitting on the relevant governance groups.



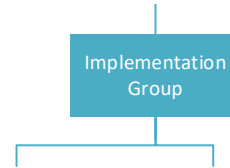
CEO-based forum
“direction of travel”

Steering Forum

Group	Chair	Secretariat	Representatives	Purpose
Programme Forum	Dermot Nolan	Ofgem during Enactment transitioned to Programme Coordinator for DBT	<ul style="list-style-type: none"> Industry CEOs and Board level representatives (one person per organisation) DCC CEO and senior personnel Existing System CEOs and senior personnel Citizen’s Advice Ofgem Switching SRO Ofgem Switching Programme Director 	<p>Utilisation of existing forum to discuss progress of the programme. No formal decision making authority.</p> <p>Increase frequency of meetings to quarterly in the lead up to and during the Delivery phase of the programme. This is done to respond to the pace of the DBT phase of the programme.</p> <p>Used to set tone of programme, and communicate high level messages to industry.</p> <p>Industry representation should be open to any senior level personnel from the programme parties who wish to attend.</p>



Chair	Secretariat	Representatives	Function
Rob Salter-Church (SRO)	Ofgem PMO during Enactment transitioned to Programme Coordinator for DBT	<ul style="list-style-type: none"> Ofgem Programme Director DCC Executive Board Member Gas Systems representative Electricity Systems representative Industry representatives <ul style="list-style-type: none"> Suppliers x 1 Gas Shipper x 1 GT x 1 DNO x 1 iGT / iDNO x 1 Ofgem Critical Friend Ofgem Legal Representative Ofgem Independent Representative CSS Providers (when required by Chair) Programme Coordinator (2019 onwards) Systems Integrator (2019 onwards) Representatives on invitation by Chair 	<p>SRO decision making over high level delivery milestones. This could include fundamental changes to the design baseline or the movement of key milestone dates within the programme plan.</p> <p>NB – Existing Ofgem governance groups will retain policy only decisions (as necessary) .</p> <p>Representation model is aimed at gaining access to advice on delivery risks for participants (industry and system providers).</p> <p>The industry representative model structured around the equal representation from current licenced parties, with a desire to balance the need to discuss delivery risk against the risk of capture from incumbent suppliers.</p>



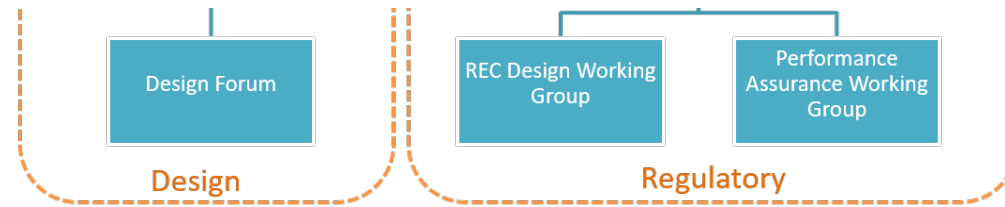
Chair	Secretariat	Representatives	Function
Rachel Clark (Programme Director)	Programme Coordinator	<p><u>Formal meeting</u></p> <ul style="list-style-type: none"> • Ofgem • DCC (including System Integrator - also service providers when required by Chair) • UKLink and DES representative • ECOES representative • MPAS representative • Industry representatives <ul style="list-style-type: none"> • Suppliers x 3 (large/small/non-dom) • Gas Shipper x 1 • GT x 1 • iGT / iDNO x 1 • DNO x 1 • Programme Coordinator (2019 onwards) • Representatives on invitation by Chair 	<p><u>Formal meeting</u></p> <p>Decision making authority over:</p> <ul style="list-style-type: none"> • lower level Programme Plan milestones <p>Decision making over low level delivery milestones. Where there is an impact to design or high level milestones, this decision should be escalated to the Delivery Group. Decision sits with Ofgem chair.</p> <p>Industry representation model focused around advice on implementation risk. Three supplier model represents the need to advise on the different delivery issues that different sections of the market face, based on the scale of their operation.</p>
		<p><u>Broadcast Webex (2 days prior to meeting)</u></p> <ul style="list-style-type: none"> • Open to all • No discussion / broadcast only 	<p><u>Broadcast Webex</u></p> <p>Webex to provide cross-programme communications on progress to any interested party to the programme. Any questions/queries must be progressed through relevant Implementation Group representatives.</p>



Group	Chair	Secretariat	Representatives	Purpose
Design Authority	Arik Dondi	Ofgem during Enactment transitioned to Programme Coordinator for DBT	<ul style="list-style-type: none"> • Change Requestor on relevant item • Ofgem Change Lead(s) • DCC • Technical advisors on relevant CRs • Existing system representatives • Industry representatives <ul style="list-style-type: none"> • Suppliers x 1 • DNO x 1 • Gas Shipper x 1 • GT x 1 • iGT/iDNO x 1 • Representatives on invitation by Chair e.g. Meter Agents, MAPs • Programme Coordinator (2019 onwards) • Systems Integrator (2019 onwards) • CSS Provider (2019 onwards) • Service Management Provider (2019 onwards) • REC Code Manager (once appointed) 	<p>Decision making over baseline design change requests within the agreed Terms of Reference and with no impact to delivery timeframes.</p> <p>Decision made by Chair on advice from the Design Authority.</p> <p>Change can be proposed by any party to the programme.</p> <p>Supplier representative limited to one, as functionality shouldn't depend on size or nature of market share</p>



Group	Chair	Secretariat	Representatives	Purpose
Regulatory Design Group	Jon Dixon	Ofgem during Enactment transitioned to Programme Coordinator for DBT	<ul style="list-style-type: none"> Ofgem DCC Existing system representatives Industry representatives <ul style="list-style-type: none"> Suppliers x 2 (domestic/non-dom) Gas Shipper x 1 GT x 1 iGT/iDNO x 1 DNO x 1 Technical and legal advisors Existing Code representatives Programme Coordinator (2019 onwards) Systems Integrator (2019 onwards) CSS Provider (2019 onwards) Service Management Provider (2019 onwards) REC Code Manager (once appointed) Representatives on invitation by Chair 	<p>Decision making authority to decide on the detail in the Retail Energy Code and associated consequential change (e.g. SCR changes).</p> <p>Decision making over REC with no material change in scope or impact to delivery timeframes.</p> <p>Decision made by consensus or if not, Ofgem Chair makes the decision. Right of appeal to the Programme Board.</p> <p>Supplier representation limited to two, as the key differences from a regulatory design experience is with respect to the different requirements from the domestic and non-domestic sectors.</p>



Group	Chair	Secretariat	Representatives	Purpose
REC Design Working Group	Jon Dixon (or delegated party)	Ofgem during Enactment transitioned to Programme Coordinator for DBT	<ul style="list-style-type: none"> Ofgem DCC Open to all programme participants who wish to participate 	The purpose of this Working Group is to develop and refine the enduring version of the REC.
Performance Assurance Working Group	Jon Dixon (or delegated party)	Ofgem during Enactment transitioned to Programme Coordinator for DBT		The purpose of this Working Group is to develop and refine the performance assurance framework over switching performance in the energy industry.
Design Forum	Jenny Boothe	Programme Coordinator for DBT		The purpose of the Design Forum is to consider the impact of proposed change requests on industry and downstream systems, and advise as to the potential risks and benefits with respect to the proposed change requests.



Transition to DBT Governance

Key points:

1. Whilst the change to new governance follows the publication of the Full Business Case (FBC), we anticipate issuing a call to industry for membership of these groups in the coming weeks/months with a view to operating in shadow in advance of DBT.
2. We also propose to undertake a membership refresh of the governance structure to ensure that representatives have the correct experience for the groups that they attend.
3. At the transition point, the Programme Coordinator will also be on board to assist in adjusting the governance reporting material to suit the needs of delivery.
4. We intend to stand up the Data Working Group early in advance of FBC.

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.