

Switching Programme Delivery Group Meeting 16

From: Rachel Clark,
Programme Director

Date: 11 September
2018

Time:

Location: Ofgem, 10 South
Colonnade, Canary Wharf,
London

1. Present

Rachel Clark - Ofgem (Chair)	Arik Dondi - Ofgem
Nicola Garland - Ofgem	Andrew Amato - Ofgem
Jon Dixon - Ofgem	Natasha Sheel - Ofgem
Andrew Wallace – Ofgem	Louise Stumbles – Ofgem
Vanessa Cook - Ofgem	Keith Foster – DCC
Richard Hilton - DCC	Alex Travell - EON
Natasha Hobday - First Utility	Sean Tierney - Scottish Power
Kate Goodman - DCC	David Purdy - DCC
Henry Duff - British Gas	Dr Norma Wood - Programme Critical Friend
Chris Hill - ICoSS	Stew Horne - Citizens Advice
Colin Brooks - Energy UK	Pierre Anson-Tsang – EDF Energy
Jenny Rawlinson – AIGT/CAN	Chris Warner – Cadent Gas

2. Actions

Action Log				
Ref	Subject		Action due	Action owner
Actions - Ongoing & Carried Forward				
SPDG 3 – 03	SPDG Agenda	Members to suggest future agenda items as required.	Ongoing	SPDG Members
SPDG8-03	TDA	Ofgem PMO to direct industry towards particular areas of interest	Ongoing	Ofgem
SPDG8-05	Industry Meetings	Ofgem to circulate forthcoming meeting dates and topics to be covered. 25/06 update planned Design Forum meeting dates now available on Ofgem website (Change Control pages)	Ongoing	Ofgem
SPDG8-06	Industry Change Progs	Ofgem to review the existing map of all the industry change programmes and keep it up to date	Ongoing	Ofgem
SPDG15-A03	Reporting	Ofgem to consider the appropriate mechanism for obtaining reporting information from CSS directly or MIS/DES/ECOES.	Jan 2019	Ofgem

SPDG15-A04	Reporting	Ofgem to lead further discussions on governance and charging for reporting.	Jan 2019	Ofgem
Actions – New				
SPDG16-A01	Governance	Ofgem to provide assistance to suppliers to facilitate their agreement on representation at Delivery Group.	Nov 2018	Ofgem

3. Regulatory Consultation – Jon Dixon

Jon Dixon (JD) provided an update on the regulatory design consultation in the programme will be proceeding to statutory consultation in October. 38 responses were received to initial consultation, with work progressing towards baselining Version 2 for providing certainty to DCC for use in contracting discussions. It was noted that Version 2 will still be capable of amendments via programme change control process until it is designated at programme go live. It is anticipated that a complete draft of Version 2 will be completed by end March 2019.

Going forwards, Ofgem will be engaging with code administrators to get support for timelines in developing a Joint Industry Plan for the REC and consequential changes. Ofgem will continue to lead a regulatory design team which will be supported by industry.

These changes will be made using our SCR powers once we have reached a certain milestone in the test plan (to be determined) that will give certainty of the CSS go-live date, and therefore effective date for the code changes.

It was confirmed that when change requests for REC drafting are considered the design impacts will be also be assessed (Design changes also assessed for REC impact). This might increase the time taken to consider change but should result in better decision making.

With regard to the feedback received to date in terms of the “duty to cooperate”, this will be discussed directly with those parties concerned, rather than a broader discussion at SPDG.

4. DCC Regulatory Aspects

Natasha Sheel (NS) provided an update on the DCC regulatory aspects including a summary of the proposed DCC licence modifications. These will be discussed in more detail at the next Commercial Forum but will include:

- a requirement for DCC to consider, to the extent possible, what is economic and efficient to the whole of industry.
- Modified condition to allow the communications network to be provided by existing service providers.
- Consequential changes throughout the licence to bring in line with the REC.
- Firm up definitions of Fundamental Registration Service Capability (FRSC).

DCC are starting to plan out resource and capability in terms of managing Smart and Switching; Have updated their business case for DB4 and are developing their business case for DBT. We will

be consulting alongside the governance consultation on DCC's margin and incentive framework during DBT with the aim of issuing the direction early next year.

5. Programme Update – Andrew Amato

Andrew Amato (AA) provided an update on programme activity, with the programme at an amber RAG rating. Since the last meeting the programme team have increased capability within the programme management office function and consultants from PwC have now joined providing advisory support across the programme workstreams. The programme is continuing to seek to enhance delivery resource and capability.

One of the key concerns raised at the last meeting was regarding procurement; however, DCC have now published tender packs for procurement projects 1 and 2, and met their incentivized milestones.

Since the publication of DB4 in June, five change requests have been received, four of these have been approved and one deferred until after the CSS procurement stage. Following requests from industry, redlined versions of the design products have produced red lined versions to show changes made as a result of DB4 and these will be maintained following the implementation of change requests. Members should contact the SwitchingPMO mailbox if they would like to be sent these.

Work has been ongoing to develop requirements and resultant tender pack for the Programme Coordinator role for DBT. The procurement process for this will be commencing in the coming weeks.

There was a brief discussion regarding the impact of the price cap on the programme and whether there would be a need to revisit the programme Impact Assessment. RC noted that as the price cap is a temporary measure there will be limited overlap between the cap being in place and the new switching arrangements being live. As a result, the impact of any effects on the Impact Assessment would be limited. RC also noted that the successful delivery of faster and more reliable switching is seen as an essential condition for effective competition and whether it is in place would be a material factor in any recommendation from Ofgem about whether the price cap should be removed. Ofgem will be revising the IA at the point that the CSS procurement concludes to reflect the known costs of CSS development. At that point we will consider whether any other elements of the IA need to be updated.

6. Programme Governance – Nicola Garland

Nicola Garland (NG) provided a summary of proposals for the transition to new programme governance in the DBT phase. A constituency based representative model is proposed whereby industry would have representation at the groups. The evolved groups will comprise of the

Delivery Group, chaired by the SRO (Decision Maker) and the Implementation Group (to be chaired by the Programme Director). It is anticipated that these groups will be in place in advance of the commencement of the DBT phase. The Delivery Group would likely meet monthly during the height of DBT phase, however the cadence of governance meetings would flex depending on the peaks and troughs of the programme.

There was a discussion around the Ofgem proposal for one supplier representative on the Delivery Group. The rationale for this being that it is anticipated that all the differentiated delivery risks of suppliers should be flushed out at lower levels of the programme governance. It was also re-affirmed that the representative provides an advisory rather than decision making role on the group.

A point was raised regarding difficulty in selecting a single supplier representative to sit on the Delivery Group given that no single forum exists for all suppliers. RC said that Ofgem would assist suppliers in facilitating discussions and processes for agreeing supplier representation. This could include writing to code bodies who may also be able to support that dialogue. The aim is to operate the Delivery Group for a number of months before transitioning in to DBT, so it is hoped that the process to identify representatives would be well underway by November. **New action SPDG16-A01 raised.**

7. DBT plan

Nicola Garland (NG) provided a summary of the draft DBT phase plan. This shows a Go-live range in summer 2021, with industry parties being fully mobilized in August 2019. The programme critical path is currently sitting on procurement activities with the DBT phase officially commencing at contact signature with the CSS provider. The key parties that are expecting to mobilize now are DCC and existing service providers (as there are CSS agnostic activities that those parties can be working on).

The plan allows for a one month mobilisation period for the CSS provider in advance of commencing work on the CSS Physical Interface Design and that it is assumed that the CSS registration service has the longest build time. It was also noted that DCC have advised all bidders that the timeframes presented in this plan are the expected timeframes for them to work to.

There will be a level of contingency in the Plan for the Programme, and Ofgem will be utilizing the Programme Coordinator to track participants' progress throughout. The plan will be circulated to members after the meeting and further comments and bilateral discussions are welcome.

8. DCC procurement

Keith Foster (KF) provided a summary of progress on the DCC led procurements.

- CSS: Expecting address service tenders by Wednesday 12th September and combined and registration service tenders by Wednesday 19th September. Working to an early December BAFO process with this those returned by 21st December. At that point will have selected down to three, and then early new year to be spent getting to contact award by early February.
- SI: 8 bidders still interested, 1st October expected, view is for mid-November BAFO and contract award for 21st December. Will begin negotiations in immediate new year.
- Service Management/Core Systems Assurance: Tender packs in development, expecting 24th October for Service Management and 7th November for CSA. Market engagement exercise has indicated 12 bidders interested.
-

It was noted that Natasha Hobday was providing industry views as part of the evaluation process and that technical assistance to support this would be required. Members should contact Natasha if they can support this.

RC noted that the procurement is taking place using a logical design based on the current market operation. However, it is important that the CSS should be able to support market evolution and innovation. This adaptability requirement was being tested through the procurement.

9. Any other business

Letters to be distributed in the next week for SPSG group on 18th October.

10. Date of next meeting

13th November