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By email to: [switchingprogramme@ofgem.gov.uk](mailto:switchingprogramme@ofgem.gov.uk)

6<sup>th</sup> September 2019

Dear Rachel,

**DCC RESPONSE TO OFGEM CONSULTATION ON THE SWITCHING PROGRAMME AND RETAIL CODE CONSOLIDATION: PROPOSED CHANGES TO LICENCES AND INDUSTRY CODES**

DCC welcomes the opportunity to respond to Ofgem's consultation seeking views on the proposed governance for the new switching arrangements.

We welcome the modification to the Smart Meter Communication Licence (DCC licence) and support the amendments. In particular we consider the proposed amendment to Licence Condition 44 to be essential to managing the Central Switching Services (CSS), as it enables DCC to procure specialist software that is required for the successful operation of its services. Although DCC would always use its best endeavours to obtain the necessary guarantees in respect of novation, in exceptional circumstances where this may not be feasible, we welcome the proposals to consult with the Authority on how the requirements under Licence Condition 44 can be met.

We welcome the proposed content for the Retail Energy Code (REC), and are broadly supportive of the proposals. Some comments on the drafting of the REC schedules is set out in the annex to this letter.

We note Ofgem's proposal to introduce a REC Technical Specification which will define each of the services that form part of the overall switching arrangements. A key consideration that should be held in designing how the specifications are governed is the impact to service delivery. The REC Technical Specification should be under an appropriate level of governance to ensure there can be quick decision making on changes which have a dependency to the implementation of technical fixes and service enhancements. Moreover, DCC's technical teams and service providers responsible for operating the system should be involved early in the process of developing the change proposal.

DCC welcome Ofgem's stated aim to learn lessons from limitations of previous code governance, to develop a 'best in class', digital and accessible code. Learnings from other industry codes should be applied to how changes are made to the REC Technical Specification, with examples from the Smart Energy Code (SEC), demonstrating how standard code modification processes are not always fit for purpose for fast paced decision making on technical change. Overall, this will play an important role in supporting the successful continued provision of the new switching arrangements.

One further aspect of change management, beyond allowing fast-paced decisions on minor fixes, is controlling the volume of change. It is particularly key, from our experience on the SEC, to minimise changes coming through that impact on changes already being processed. This can cause confusion and delay.

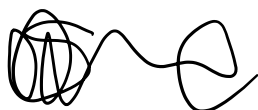
We welcome the proposals on governance arrangements for the REC. In our response to Ofgem's previous consultations, we noted that given DCC will have to comply with the rules of the REC and will have oversight of the operation of the CSS it must be able to feed into the decisions made by REC governance bodies.

We therefore consider it would be appropriate for DCC to be a member of the RECCo, and able to contribute to its oversight of the contract with the REC Manager, with whom DCC will need to work effectively and closely. We also consider there are key benefits (and mitigations to key risks) to our involvement in the governance of the REC during this transitional period, during which time DCC will need to respond to decisions made by REC governance whilst simultaneously working directly with Ofgem during the DBT phase of the programme.

In the annex to this letter, we provide a more detailed response to Ofgem's questions.

If you have any questions on our response, please do not hesitate to contact Bushra Ali ([Bushra.Ali@smartdcc.co.uk](mailto:Bushra.Ali@smartdcc.co.uk)) in the first instance, or me.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Siobhan Stanger', with a stylized flourish at the end.

**Siobhan Stanger**  
Chief Regulatory Officer