

DRAFT Minutes of the External Design Advisory Group (EDAG) meeting

Meeting 7 –18 July 2016

Introduction

1. Angelita Bradney (AB) introduced the meeting and welcomed EDAG members. A list of attendees is available at the end of this document.

Minutes and Actions

2. Members approved the minutes to EDAG meeting 6 without amendment.
3. AB reviewed the actions from the previous meeting and a summary is provided in the table at the end of these minutes.

Work Package 1- Business Process Design (BPD)

4. Jenny Boothe (JB) stated that switching scenarios 1-7 had been consolidated into Casewise. The approved policy positions on advance registration and dual fuel switches had been integrated into these models. EDAG members confirmed that they were aware of the details on accessing Casewise.
5. Several EDAG members suggested making Appendix 2 of Work Package 1 on dual fuel switches clearer to reflect supplier choice on whether to use this process.

Action: Ofgem

Agent Appointments – BPD

6. Colin Sawyer (CS) gave a brief overview of the Agent Appointments policy paper. The proposal was to store agent IDs for a specified set of agents on the CRS. At the time of the switch, a notice would be sent by the CRS to the incoming and outgoing agents to inform them of the switch.
7. In response to a question on recording agents centrally, CS stated that the proposal was that the CRS should include a central repository of agent identities for a defined set of agents including shipper, MOP, MAP, DC, DA and the new role of Meter Communications Provider. The proposals also included unbundling the role of MAM in gas, to allow the separate identification of MOP and MAP and harmonisation across gas and electricity.
8. Lauren Nicholas (LN) stated that CMAP was very supportive of the recommendation of agent IDs, including the MAP, being recorded in the CRS for gas and electricity.

9. Eric Graham (EG) stated that where the consumer contracts directly with an agent the supplier needs to give consent before the agent is appointed. He suggested amending the wording in the summary paper to reflect this point (which is covered in paragraph 12 of the main paper). He also pointed out that the agent appointment process can affect the customer's experience of the billing process (e.g. where failures in data exchange lead to billing errors) and suggested amending the wording in the paper to reflect that as well.

Action: Ofgem

10. EG also suggested that existing agent to agent data flows might be replaced by a flow to the CRS which would then notify relevant parties. An attendee noted that this single process would require the CRS to track communications between participants.
11. CS agreed that this might improve process integrity but it would introduce additional complexity and agent to agent communications are not generally covered by the scope of the programme.
12. Mike Harding (MH) also agreed with this suggestion and stated that currently there were issues as the registration system was not kept up to date and often does not reflect reality. Currently there is a dependency on the supplier keeping the agent identification on the system.
13. David Crossman (DC) stated that currently, the registration authority is informed of the agent selection by the supplier almost as a memo action. He agreed that having a single system would eliminate this dependency on suppliers updating the systems as the system design would ensure process integrity.
14. In response to a question by EG on an agent being incorrectly appointed to a site, CS stated that under next-day switching, if an agent does not accept the appointment then it will have to respond very quickly due to tight timescales.
15. Hazel Ward (HW) asked whether the CRS would send agent appointment notifications for acceptance or rejection. CS stated that registration requests submitted by suppliers would include shipper ID (for gas) and the IDs of other agents that have been appointed to different roles. These would be recorded by the CRS in a repository. At the time a switch is executed a notice will be sent to the losing agent. A notice would also be sent to the gaining agent to inform it of the new metering point it is now responsible for. EG proposed that notices should be sent both at confirmation of the registration and at execution: this proposal was accepted by Ofgem.
16. A BPD UG member suggested that the receipt of that notification by the agent could constitute appointment to a meter point. If the agent decides not to take on the meter point it can reject it and inform the supplier. The supplier then would submit a modification request to change agent ID.

17. In response to another question by HW on the impact on market domain data, CS replied that the supplier would be required to submit a matrix for the shippers that they would appoint and the shipper would be required to sign off on changes to that matrix.
18. EDAG members agreed with the proposal that the CRS should include a central repository of agent identities for a defined set of agents, that the role of MAM should be unbundled in gas and that the new role of Meter Communications Provider should be established.

Information Risk Assessment – BPD

19. Jenny Boothe (JB) gave a brief overview of the Information Risk Assessment paper. JB said that the Privacy Impact Assessment (PIA) and an Information Risk Assessment (IRA) of the design of the Switching Programme were being initiated, in order to identify key data privacy and information concerns, and provide an explanation of their associated risks. She stated that the Programme was giving consideration to these two themes and the controls that need to be in place for the final solution.
20. JB added that this paper will be updated closer to the RFI once the solutions architecture is clearer.
21. In response to a question by Jeremy Guard (JG) on accidental disclosure of data, JB said that there is a need to have business continuity procedures in place along with continuous monitoring and audits. These would be developed once the solution design is clearer.
22. Adam Carden (AC) suggested that the BPD should consider holding workshops with security experts from companies.

Action: Ofgem

23. In response to a question by HW on the scale of risk, JB stated that the risks and threats could vary depending on the solution design.
24. AB reiterated that the paper will be updated once the solutions architecture is clearer and Ofgem will then also consider having discussions with companies' security experts.

DCC Business Case and Procurement Framework – Commercial Workstream

25. Andrew Wallace (AW) gave an update on the Commercial Workstream (CWS) progress on activities related to DCC's Business Case, price control mechanisms and the Procurement Framework.
26. AW informed EDAG that DCC's Business Case would set out its expected costs and activities over the transitional period (up to the end of the Enactment Phase). DCC will provide a central scenario in the Business Case as well as a low and high case. DCC would include a materiality threshold above which the document would need to be re-baselined. DCC will submit the Business Case to Ofgem for scrutiny and Ofgem would then consult on it. DCC is also undertaking initial work on margin and incentives. Ofgem will consult on proposals for margin and incentives

at the same time as the Business Case consultation. A baselined Business Case will be published prior to April 2017. EDAG would review a draft of the Business Case with a rough order of magnitude of the costs at its 18 Aug meeting.

27. AW introduced the Procurement Framework which will be shared with EDAG for review in September. This explains how CRS procurement will be conducted.

28. In response to a comment by MH, AW said that the current ex-post plus price control arrangements are only for the transitional period. This, together with the charging methodologies for Design, Build and Test (DBT) phase and live operation will be next areas of work for the CWS to focus on. AW agreed to provide clarity to EDAG on the timetable for developing DCC's charging methodology for the DBT phase and live operation.

Action: Ofgem

29. EG stated that it would also be useful to know how the DCC would be charging for the enduring solution, whether it is going to be by the number of meter points or through another mechanism.

30. In response to a query on ex-post plus price control, AW explained that under this approach, DCC will incur costs and provide information to Ofgem on a yearly basis. Ofgem will then scrutinize if the costs were incurred efficiently. The additional measures were around the development of the Business Case and regular reporting of costs and activity to provide transparency.

31. In response to a question by MH on cost recovery, AW clarified that the costs over the transitional period will be recovered from the parties that are currently paying DCC using the charging methodology laid out in the SEC.

32. In response to a comment by MH on possible escalation of costs, Anthony Lewis (AL) said that the DCC was also learning from the other programs like the Smart Metering Implementation Programme to see what potential risks could be. HW emphasized that it was also important to learn lessons from Project Nexus.

33. In response David Crossman's (DC) query on risk of legal challenge from DCC undertaking this the switching procurement activity, AW said that this was low. The prospect of DCC doing this had been set out at original contract award and Ofgem had consulted on amending its licence last year to clarify its responsibilities.

34. AW supported TK's suggestion to provide a summary document for the Procurement Framework and DCC's Business Case to support discussion at EDAG.

Action: Ofgem

35. AW agreed to consider renaming the DCC Business Case document for clarity.

Action: Ofgem

Linking Related Metering – BPD

36. JB gave a brief overview of the Linking Related Metering paper. The main issue in this paper is whether or not meter points relating to a premises should be linked together in some way under the new switching arrangements. JB invited EDAG to comment on the attributes that could link meter points and how they should be maintained. She noted the links to data cleanse strategy being examined by the Delivery Strategy workstream.
37. AC pointed out that there could be complex sites such as airports where it could prove to be a challenge to link meter points and decide who maintains those links. EDAG members suggested that it would be desirable to link meter points but it could prove to be very challenging.
38. JB noted the key questions of where the link should be maintained and, if a customer switches, which parties should update the address.
39. EDAG members noted that some of the issues raised in the paper had previously been discussed by the industry. However, additional points raised included:
- The drivers and rationale for linking meter points need to be clearly articulated,
 - Clarification about the nature of the link – i.e. is this commercial, permanent or dynamic link
 - The paper should include the discussed option of the gas and electricity industry harmonising address data around a single standard

AOB

40. TK suggested that Ofgem should consider the role of TPIs and PCWs and their role in the new switching arrangements as they will be integral to the switching process and could be interfacing with the CRS.

Action: Ofgem

Attendees

Tom Chevalier – AMO
Mike Harding – BUUK
Andy Knowles – Utilita
Joanna Ferguson – NGN
Adam Carden – SSE
Tabish Khan – British Gas
Eric Graham – TMA
Peter Seymour – Laurasia
Martin Hewitt – UK Power Networks
Jeremy Guard – First Utility
Anthony Lewis – DCC
Colin Blair – Scottish Power
Dee Drew – EDF Energy
Martin Evans – UtilitiGroup
Dan Alchin – Energy UK

Alex Belsham – Citizen’s Advice
Justin Andrews – Elexon
Hazel Ward – Npower
David Crossman – Haven Power
Lauren Nicholas – CMAP
Helen Fosberry – E.ON
Rachel Clark – Ofgem
Angelita Bradney – Ofgem
Andrew Wallace – Ofgem
Tom Fish – Ofgem
Heather Bignell – Ofgem
Jenny Boothe – Ofgem
Colin Sawyer – Ofgem
Joanne Thrower – Ofgem
Fatima Zaidi – Ofgem
Harshini Samarakoon – Ofgem

EDAG Action Log

| No. | EDAG meeting | Action | Responsible party | Update | Status |
|-----|---------------------|--|-------------------|--|--------|
| 25. | EDAG 7, 4 July 2016 | Make Appendix 2 of Work Package 1 on dual fuel switches clearer to reflect optionality | Ofgem | Already clear in process maps, revision to paper underway | Closed |
| 26. | EDAG 7, 4 July 2016 | Ofgem to consider how having a single flow of information in the CRS that includes agent selection information would affect the functionality of the CRS | Ofgem | Underway | Open |
| 27. | EDAG 7, 4 July 2016 | Ofgem to amend wording of Paragraph 3 of Agent Appointments paper in the light of comments received from EDAG | Ofgem | Done | Closed |
| 28. | EDAG 7, 4 July 2016 | Ofgem to consider having discussions with security experts on scrutiny of security requirements for the new switching arrangements | Ofgem | We proposed to set up this group in the DLS phase when IRA will be revised | Open |
| 29. | EDAG 7, 4 July 2016 | EDAG to be provided with a view on order of magnitude of DCC's costs in Transitional phase | Ofgem | Update to be provided at 18 Aug EDAG | Open |
| 30. | EDAG 7, 4 July 2016 | Provide clarity to EDAG on timetable for developing DCC's charging methodology for Design, Build and Test and Operation Phases | Ofgem | Update to be provided at 18 Aug EDAG | Open |

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| 31. | EDAG 7, 4 July 2016 | Provide a summary paper to EDAG on key issues when Procurement Framework and DCC Business Case document presented to EDAG for review | Ofgem | Update to be provided at 18 Aug EDAG | Open |
| 32. | EDAG 7, 4 July 2016 | Commercial Design Team to consider renaming the DCC Business Case document | Ofgem | Update to be provided at 18 Aug EDAG | Open |
| 33. | EDAG 7, 4 July 2016 | Ofgem to consider developing a paper on the role of PCWs and TPIs in the new switching arrangements | Ofgem | Underway. Update at 18 August meeting | Open |