

# Report

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## Switching Programme Summary - November 2018

**Publication date:** 5 November

**Contact:** [switching.programme@ofgem.gov.uk](mailto:switching.programme@ofgem.gov.uk)

### Welcome

Welcome to the first issue of the Switching Programme newsletter.

Our aim is to keep our stakeholders informed of recent and upcoming Switching Programme activity, in a format that can be shared with your wider organisational teams.

If you have any thoughts on the type of information you would like to be seen here, please let us know at [switching.programme@ofgem.gov.uk](mailto:switching.programme@ofgem.gov.uk).

### Latest news

#### Licence changes

On October 15th we published a [Statutory Consultation](#) on changes to licences to introduce a new Retail Energy Code, which will be a harmonised dual fuel code covering all retail requirements.

The publication provides a draft text for the Retail Energy Code and a near complete set of operational schedules for the new switching arrangements governed under the Retail Energy Code. It also contains the statutory consultation on changes to DCC's licence to place obligations on them in respect to delivery and operations of the new switching arrangements.

We also propose to insert a new obligation on all licensees that would require them to cooperate, where appropriate, in the delivery of any Ofgem led programme that requires significant change to IT systems. We envisage that this would cover significant code projects, in particular including those programmes being taken forward as a Significant Code Review. The deadline for responses to the Statutory Consultation is 16th November 2018 and these can be submitted to [switching.programme@ofgem.gov.uk](mailto:switching.programme@ofgem.gov.uk).

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## **Design, Build, Test (DBT) phase plan**

Following the baseline of the logical design for the E2E switching arrangement and the Central Switching System (CSS), the programme has undertaken a left to right planning exercise to develop a [detailed plan](#) for the Design, Build and Test phase of the programme.

With the detail contained in the E2E logical design, combined with targeted stakeholder engagement we undertook in May/June 2018, we are now able to make a robust estimate of the activity required in DBT and timescales for delivery. We are expecting to re-baseline this plan once the CSS provider(s) are on board in May 2019.

We believe that the timeframe for go-live in summer 2021 is a reasonable yet ambitious target for undertaking one of the most complex transformations the energy industry has faced in decades.

We are currently seeking feedback from parties on their planning activities and mobilisation to meet this plan. Feedback and queries can be directed before Wednesday 14th November to [switching.programme@ofgem.gov.uk](mailto:switching.programme@ofgem.gov.uk).

## **Change request process**

The final window for considering change requests as part of the Best and Final Offer (BAFO) stage of the DCC procurement of the CSS has now closed. While change requests can still be raised, they will not be able to be considered as part of the CSS procurement process.

This change window was established so that the programme can have a final baselined version of the logical design of the Central Switching Service (CSS) to procure and contract against.

Any programme participant can raise a change request, and all programme participants can input into discussion of change requests and their respective impact assessments.

All resulting changes are published to the [Switching Programme: Change Management](#) section of our website. Our current [change control process](#) will continue to run until the start of the DBT phase, where we will look to refresh the process to ensure that it is fit for purpose for the DBT stage of the Programme.

## What's coming up

### Governance structure

As the Programme increases the mobilisation for the DBT phase, we are looking to transition the governance structure and representative model. This will include restructuring the current Delivery Group and parties appointing representatives to attend key governance groups. The governance structure and representative model can be found [here](#).

We will be inviting industry forums in the coming weeks to facilitate parties in selecting representatives for programme governance.

### Data cleansing activity

One of the key reasons that consumers experience a failed switch is as a result of data reliability. The Switching Programme has at its centre an objective to deliver more reliable data across the industry. There is a significant amount of work for parties to undertake between now and go-live, in order to meet this objective.

One of the first priorities that we have asked programme participants to look at has been "Stage 0" data activities. These represent a number of activities that include data cleansing such as Plot to Postal address cleansing and the transfer of data items into both Klink and MPAS to prepare for the data migration process.

Stage 0 data activities represent one aspect of the large programme of work parties will need to complete in order to be ready for go-live. We are encouraging licenced parties to engage with, and support this, timeline by taking the appropriate steps to ensure this work is completed in good time for the commencement of DBT.

We are also establishing a new Data Working Group which will be active during the mobilisation and DBT phases of the programme. The first Data Working Group meeting has been set up for 14th November. If you are interested in attending please drop us an email.

If you have any questions about Stage 0 data, and whether this has an impact on your business activities, then please let us know us at: [switching.programme@ofgem.gov.uk](mailto:switching.programme@ofgem.gov.uk).

## FAQs

### **Q. How does the price cap consultation alter the impact assessment for the Switching Programme?**

Whilst it is likely that the impact of the faster and more reliable switching on consumers' willingness to switch would be reduced while the Price Cap is in place, we would expect the majority of the period covered by the IA to be outside the period when a price cap is in place, and therefore we would not expect to see a significant impact as a result.

Further, we consider that faster and more reliable switching is one of the conditions for effective competition, and as such we consider that the Switching Programme will need to be delivered to ensure that the Price Cap can be lifted as soon as possible.

### **Q. What is the rationale for applying faster switching to non-domestic consumers, given these contracts are usually agreed up to six months in advance?**

The Switching Programme will deliver not only faster switching, but also more reliable switching by improving the data on which the industry relies upon. Whilst we acknowledge that faster switching may be of less relevance to most nondomestic customers, we do anticipate some benefit here.

We anticipate that non-domestic customers will benefit from the work that we are doing to make the switching process more reliable. Poor data quality (in particular address data) can lead to delays, erroneous switches and abandoned switches. We have also been told by non-domestic suppliers that they have to spend effort sorting out the correct addresses to switch non-domestic consumers.

Further to the above, we do not think it is practical or efficient to retain the existing switching arrangements for non-domestic suppliers and move to a new centralised and harmonised process for domestic consumers.

## What's in the diaries for 2018

### Meetings:

#### **Switching Programme Steering Group:**

Friday 2nd November – 2pm at Ofgem, 10 South Colonnade (Please note that that SPSG date was moved from the original date of 18 October)

#### **Existing System Provider Forum:**

Monday 12th November – 9am at Ofgem, 10 South Colonnade

Monday 10th December – 1pm at Ofgem, 10 South Colonnade

#### **Data Working Group:**

Wednesday 14th November – 3.15pm at Ofgem, 10 South Colonnade

#### **Switching Programme Design Forum:**

Monday 12th November – 1pm at DCC, Ibex House

Monday 26th November – 1pm at DCC, Ibex House

Tuesday 11th December – 11am at Ofgem, 10 South Colonnade

#### **Switching Programme Delivery Group:**

Tuesday 13th November – 10.30am at Ofgem, 10 South Colonnade

#### **Regulatory Design User Group:**

Monday 10th December – 1.15pm at Ofgem, 10 South Colonnade

### Other:

#### **Deadline for Statutory Consultation responses:**

Friday 16th November to [switching.programme@ofgem.gov.uk](mailto:switching.programme@ofgem.gov.uk)

#### **Change window 10:**

Closes Friday 9th November (refer to the [change process](#))