

Meeting Session	DCUSA Panel (Open Session)
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Action	For Information
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## Ofgem Switching Programme Update

This paper provides an update to the DCUSA Panel on the status of Ofgem's Switching Programme.

### 1. Background

- 1.1 Since November 2015, ElectraLink has been providing resource to a number of Ofgem Switching Programme workstreams, alongside other Code Administrators and the Data Communications Company (DCC).
- 1.2 Following a request at the July 2016 DCUSA Panel meeting, this paper provides the DCUSA Panel with an update of the status of the following Ofgem project Design Teams:
  - E2E Design;
  - Regulatory Design; and
  - Delivery Strategy Design

### 2. Project Update

- 2.1 The following section provides a high-level overview of the Design Teams progress over the past month, as attended by ElectraLink.

#### Regulatory Design Team (RDT)

##### **Enduring Governance**

- 2.2 During the Blueprint Phase, the RDT highlighted a preference for developing a dual fuel Retail Energy Code (REC) which will, in the long term, contain all gas and electricity retail provisions. The RDT is now seeking to understand how the REC should be established and the more detailed governance provisions such as funding, to enable this information to be included in the Autumn policy consultation. A process will be agreed to determine which provisions should be included in the initial REC, with a view that remaining retail provisions will transition over time.

- 2.3 It is anticipated that both Suppliers and Network Operators will be required to accede to the REC. The inclusion of other parties will be considered further based on scope of the REC, the role of the DCC and responses to the policy consultation.

#### **Transitional Governance**

- 2.4 The RDT has also been considering the transitional regulations that will be required ahead of the implementation of the new switching arrangements to include for example data migration, testing and data cleansing. The RDT has identified four options for delivering the transitional regulatory requirements by either including these in the REC, in existing codes, or as a standalone document.

#### **Regulatory Design User Group (RDUG)**

- 2.5 These initial conclusions were broadly supported by the RDUG who met on 28 June 2017. The RDUG highlighted the following points:
- The REC should have a two phased change process (like the BSC) where the requirements are in the code and require modifications to amend, and the 'how' is in the code subsidiary documents which requires lighter touch change proposals.
  - The preference is for the REC to be in place in order to house the CSS transitional arrangements (currently scheduled for February 2019) but this will require interim governance and administration as there is not sufficient time for a code administrator procurement ahead of that date.
  - REC governance arrangements should not just follow the other codes – industry should consider who the parties should be, based on their importance e.g. some supplier agents could be direct parties as their failure could have a significant impact on consumers. Industry should also consider how to better manage change considering there will be a lot of parties to engage with.
  - There needs to be clear accountabilities on types of party – not just 'the industry'. Where it is not possible to deliver on time, revised timescales should be agreed as early as possible, rather than waiting until the last minute. There is a balance between quality, and the need to deliver on time; it may be better to delay rather than deliver poor quality outputs.
  - The DCC Licence only covers the period through to CSS procurement and therefore responsibility for the CSS could be transferred to RECCo. If RECCo is given responsibility for the CSS rather than the DCC, then careful consideration will need to be given to the establishment of RECCo.

#### **End to End Design Team**

- 2.6 WAVE 2 of the Design activities, supporting the Detailed Level Specification phase of the programme will be release to industry for review week commencing 10th of July. This work shall include further elaboration of switching activities and the lifecycle of premises and meter points (including the interactions between the CSS and other services). A design forum to discuss WAVE 2 will be held on the 17th July 2017.

### 3. Recommendation

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3.1 The Panel is invited to:

- **NOTE** the contents of the paper.

### 4. Attachments

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- There are no attachments to this paper.

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