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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; and
 - Regulatory 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)

- 2.2 The RDT has been considering early activities that can be initiated to establish the Retail Energy Code Company, which will be the corporate vehicle through which REC services will be procured and contracted for and act as the financial hub for collection of funding from Code parties and payment of service provider costs.
- 2.3 Ofgem has already registered the company with Companies House and purchased RECCo as an "off the shelf" company with a standard set of Articles of Association, a single Shareholder and a named Director and Company Secretary. The first actions for RECCo will include the following "administrative activities":
 - The Articles will be tailored to the specific limitations and requirements of RECCo e.g. defining the Board's powers;

- The nominee shareholding will be transferred to industry Shareholders;
- The existing Director and Company Secretary will resign and be replaced with a Board and Company Secretary.

2.4 These activities can occur entirely independently from the designation of the REC itself and appointment of the REC Panel to govern activities delivered under the remit of the Code. There are a number of benefits to establishing the RECCo early:

- Activities that can be done prior to the designation of the REC will be completed and therefore not impact timescales or resource requirements during implementation;
- The RECCo Board will support the Ofgem Switching Programme, providing appropriate industry expertise and knowledge whilst the new switching provisions are developed, procured and implemented;
- The RECCo Board will support the DCC procurement of service providers, and ensure that the resulting contracts are acceptable, to facilitate future novation; and
- The RECCo Board will carry out procurement activities, notably the procurement of a Code Administrator to support the development and implementation of the REC.

2.5 Ofgem is therefore progressing the activities detailed above to establish the initial RECCo Board.

2.6 In parallel, the RDT will continue considering the transitional and enduring governance provisions required once the REC itself is designated.

End to End Design Team

2.7 The Transitional strategy proposed by Ofgem notes that there is a good case for establishing some of the new switching related data and business process changes prior to the implementation of the REC and the Central Switching Service.

2.8 This could be achieved under existing Codes and commenced in 2018. Changes pertaining the 'Related MPANs' and MAP Id could be made under these arrangements. This could reduce the risk and complexity of the CSS subsequent delivery stages.

3. Recommendation

3.1 The Panel is invited to:

- NOTE the contents of the paper.

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