

Meeting Session	Open
Paper Reference	DCUSA Panel 125 02 Ofgem Switching Programme Update
Action	For Information

Ofgem Switching Programme Update

This paper updates the DCUSA Panel on the status of Ofgem's Switching Programme following ElectraLink's representation at the Blue Print Phase Design Team meetings.

1. Background

- 1.1 Since November 2015, ElectraLink has been providing resource to a number of Ofgem Switching Programme workstreams (on behalf of the SPAA Ltd), alongside other Code Administrators and the Data Communications Company (DCC).
- 1.2 Following a request at the July DCUSA Panel meeting, this paper provides the DCUSA Panel with an update of the status of the following Ofgem project Design Teams:
 - Business Process 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)
- 2.2 The Regulatory Design User Group met on 17 October 2016 to consider the governance options proposed by the Regulatory Design Team (RDT). The User Group agreed that three options should be included in the Request for Information (RFI) due to be issued by Ofgem, seeking industry views on the proposals:

- Inclusion of the CRS¹ and switching arrangements in a new dual fuel retail code;
- Inclusion of the CRS in the Smart Energy Code (SEC) and the switching arrangements in a new dual fuel retail code; and
- Inclusion of the CRS and switching arrangements in the SEC.

- 2.3 This latter option was included as it reflected the proposal in Ofgem's original Target Operating Model. However, the User Group acknowledged that including the provisions in the SEC was not the preferred solution. This recommendation will be provided to the overall Programme Board for inclusion in the RFI.
- 2.4 Ofgem also presented a proposal for progressing the next phase of work. This would require the RDT converting the output from the Business Process Design Team into a set of business rules which could be included in a new retail code, or as a new schedule within a current code. Ofgem proposed that this work could commence ahead of the RFI as it was not dependent on the technical solution.

Business Process Design Team (BPDT)

- 2.5 The CRS solution architecture options have been finalised ready for Ofgem's RFI. Ofgem have recognised that maintaining existing systems and communication methods, are the cheapest and easiest options for the industry and should therefore form the baseline of proposed change presented to the industry. The options include:
- **Option 0: Do nothing** - Retain existing systems architecture. Assumed that Project Nexus and CMA reforms have been implemented (in particular PCW access to ECOES/DES).
 - **Package 1: Minimal Reform** - Update existing system requirements to operate on a calendar day basis. Retain overnight batch processing but one night rather than two to process data.
 - **Package 2: Major Reform** - Central Switching Service only (keeping ECOES & DES).
 - **Package 3: Full Reform** - Central Switching Service and Market Intelligence database.
- 2.6 In other news, over October 2016, Ofgem have held three teleconferences with the wider industry. The teleconferences have focused on problems associated with resetting smart meters in one day with next-day switching. The main outcome of the sessions was that further discussions were required with the Data Communications Company (DCC) in order to qualify a number of questions raised by attendees.
- 2.7 On 18 October, a number of issues were discussed by the BPDT including what should be done to counter ongoing issues associated to Blank MAM IDs. Currently there are just over 60K blank MAM IDs. The SPAA Expert Group (SEG) has been reviewing this for some time and have been active in reducing the number when at one point in time there was over 300k. It is understood that with Project Nexus the number is likely to rise again to over 300k with the introduction of IGT metering points which will cause issues for one-day switching. The SPAA representative has raised this issue to Ofgem to ensure consequences of Project Nexus are considered under the Programme.

Delivery Strategy Design Team (DSDT)

- 2.8 The External Design Advisory Group (EDAG) met on 13 October 2016. The majority of agenda items covered the submission of policy papers relating to the Delivery Strategy Design workstream. The 'Data Migration Strategy' and 'Transition Strategy' papers provided an overview of various options to support the deployment of the new CRS and the transfer of service from legacy systems to the new

¹Central Registration Service

arrangements. At this stage both strategies are still to be defined, as they will be heavily influenced by the solution architecture option chosen, at the end of the Blueprint stage within the programme.

- 2.9 The migration strategy outlines several principles such as maintaining existing data quality, minimising impact and risk to market operations and the requirement for programme governance. The paper also discusses the requirement for data to be 'stewarded' and the steward of each element of data to be identified within the programme. The steward will be the party responsible for the quality of individual data elements and in some cases, such as registration data, will move from the network operator to the new registration agent.
- 2.10 The transition strategy highlighted that more detailed consideration will need to be given to the practical planning of the chosen transition method during the DLS phase once the solution architecture option is known.
- 2.11 The 'Data Improvement Strategy' paper detailed several remedies identified by Ofgem to improve data quality and directly improve switching. Most remedies are not dependent on the deployment of the new CRS, such as Network Operators cleansing plot to postal addresses. The introduction of a 'premises' address, stewarded by the Registration Agent, is reliant on the introduction of a new CRS. They would be mandated to procure a comprehensive, externally sourced database of premises addresses, which would be used as a reference for existing address data, and common for both gas supply meter points and electricity metering points, following an initial data cleanse and migration exercise.

3. Recommendation

- 3.1 The Panel is invited to:
- **NOTE** the contents of the paper.

4. Attachments

- There are no attachments to this paper.

Rachael Mottram