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Action:	For Information

ECoS Project Panel Assessment Approach

1. Purpose

This paper sets out the requirements and approach for Panel to assess DCC performance per the Baseline Margin Project Performance Adjustment (BMPPA) Scheme for Enduring Change of Supplier Arrangements (ECoS).

The Panel is requested to note the update and approach.

2. Background

BEIS has carried out consultations on proposals for a BMPPA Scheme under the Smart Meter Communication Licence, to assess the DCC delivery of ECoS arrangements. The latest of these concluded in April this year. The response can be viewed here: [BMPPA BEIS Response](#).

The BMPPA places a requirement on the DCC to assess its performance against Quality Factors set out in the BMPPA. The process and criteria of determining the Quality Factors is based on the Operational Performance Regime (OPR), Customer Engagement incentive, with some amendments made due to the nature and scope of the BMPPA Scheme.

The Quality Factors are summarised as follows:

- Step A: The DCC has taken all reasonable steps to avoid the need, following 31 October 2023, to continue to have to rely on services provided by the Data Service Provider when acting as the Change of Supplier (CoS) Party.
- Step B: The DCC has taken (at an early stage) all reasonable steps to proactively identify, any difficult to migrate devices and (where appropriate) provide support and assistance to Supplier Parties to address difficulties in migrating such devices.
- Step C: The DCC has taken all reasonable steps to effectively plan, manage and communicate arrangements to minimise as far as practicable, the number of Devices that have been (or will be) manufactured and have not been commissioned and hold (or will hold) Transitional Change of Supplier Certificates (TCoS).
- Step D: The DCC has taken all reasonable steps to effectively inform its customers of any interactions they will (or can be expected to) have in relation to the delivery of ECoS. Such

communications to be suitably timed and of appropriate quality for ease of understanding, and where appropriate consulted upon with customer views taken into account.

For each of the four Quality Factors, the DCC is required to assess its performance against several Aspects of activity, in meeting the requirements of each Specified Step. The SEC Panel is also required to assess the DCC performance against the same Aspects, using the same criteria.

The DCC and Panel assessments will be provided to BEIS once the ECoS migration has concluded; currently expected to be November 2024. The SEC Panel is required to submit its BMPPA Scheme assessment to BEIS by 31 January 2025 or sooner, if the DCC ECoS migration is completed earlier.

3. BMPPA Assessment Criteria

The assessment that the DCC and Panel must undertake is set out below.

Table A – Assessment Criteria in relation to Specified Step A.

Aspect	Assessment Questions	Weighting
Running the ECOS Project	Has the DCC run the ECoS project in a timely way such that either: it has not been necessary for it to rely on services provided to it under the DSP contract when acting as the CoS Party under the Smart Energy Code past 31 October 2023; or to the extent that it has been necessary to continue to have such arrangements in place, has this been because of factors outside DCC's reasonable control?	70% (or 100% if the contractual arrangements for TCoS under the DSP contract have been extended beyond October 2023)
Managing the Contractual Arrangements	Has the DCC managed its Service Provider contracts such that DSP contract arrangements applying to TCoS have been terminated, and any consequential contractual savings have been realised.	30% (or 0% if the DSP contractual arrangements for TCoS have been extended beyond October 2023)

Table B – Assessment Criteria in relation to Specified Step B

Aspect	Assessment Questions	Weighting
Identification of difficult to migrate devices	Has the DCC proactively identified, at an early stage (i.e. in sufficient time to allow device manufacturers time to resolve any issues prior to the end of the ECoS Migration Period), difficult to migrate Devices? Has the DCC notified suppliers and other interested parties of these Devices and explained the reasons for why they are difficult to Migrate?	70%
Support and assistance	Has DCC provided support and assistance (where appropriate) to Energy Suppliers in order to address the difficulties such that the Devices were or will be able to be migrated?	30%

Table C – Assessment Criteria in relation to Specified Step C

Aspect	Assessment Questions	Weighting
Planning	Did the DCC have an effective plan to minimise the number of devices still in (or still to enter) the supply chain and which hold TCoS Certificates by 31 October 2024? Was the DCC's plan for managing this aspect of the ECoS Programme effectively communicated to relevant parties, and were their views taken into account in finalising those plans? Did the DCC put this plan into effect?	33⅓%
Management	Were ECoS Certificates made available at a suitably early stage in order to minimise the number devices in (or still to enter) the supply chain that hold TCoS Certificates by 31 October 2024? Did the DCC effectively engage with Energy Suppliers to help ensure coordinated action to minimise the number of such devices by 31 October 2024? Did the DCC provide the support that it could reasonably be expected to provide in managing any issues in this area?	33⅓%
Communication	Did the DCC seek industry views on its plan to minimise the number of devices in the supply chain that hold TCoS Certs by 31 October 2023 and take them into account when finalising that plan (and explain how it has done this)? Did DCC effectively communicate with relevant parties as was necessary to give effect to the plan?	33⅓%

Table D – Assessment Criteria in relation to Specified Step D

Aspect	Assessment Questions	Weighting
Timing and frequency of engagement	Has the DCC effectively informed its customers of any interactions that they will (or can be expected to) have in relation to the delivery of the Enduring Change of Supplier in a timely manner and with an appropriate frequency of engagement?	20%
Quality of information provided by the DCC	Has the information that the DCC has communicated been of sufficient quality and detail?	30%
Taking account of customer views	Has the DCC consulted with relevant customers on the way in which it should engage with them in relation to their interactions? Has the DCC taken customer views into account when making decisions about how customer interactions should be managed? Has the DCC communicated a clear rationale for such decisions, explaining how customer views have informed its decision making and where relevant why the DCC has decided not to incorporate customer views?	50%

4. Assessment Approach

The approach SECAS will take to support the assessment, will be similar to the annual Ofgem Panel OPR submission. SECAS will review relevant sections of Panel and Sub Committee meeting minutes, engagement plans from DCC and consult with SEC Parties to understand broader views of how the DCC had communicated throughout the project.

As with the OPR Customer Engagement Incentive, the DCC and SEC Panel will score each of the assessment criteria. The BMPPA scoring framework is set out below.

Score	Description	Margin Retained
3	Strong evidence that the DCC has met the required standard with minor are for improvement – DCC is performing to the expected standard	100%
2	Evidence that the DCC meets the required standard with very few material areas of concern and / or some minor areas of concern.	66.67%
1	Evidence that the DCC meets the required standard but inconsistent with some material areas of concern	33.33%
0	Limited evidence that the DCC has met the required standard with multiple material issues of concern.	0%

SECAS has requested DCC provide a long-term engagement plan, so that updates to Sub Committees and Panel can be monitored and any appropriate communications, logged for future reference.

With regards to Specified Step A, there may be a requirement for Panel to formally ask DCC to provide contractual information, to assess DCC actions, if detail is not voluntarily provided.

Given the long timeframe over which the ECoS project will run, SECAS will provide updates to Panel on an at least bi-annual basis of summary of evidence collated and views. Further, SECAS proposes to consult with SEC Parties Pre and Post migration to ascertain views as to the planning and preparation undertaken and the outcome of the ECoS migration to understand how DCC communications have been received.

5. Recommendations

The Panel is requested to **NOTE** the update and approach, as set out in this paper.

Tim Newton

SECAS Team

10 June 2022