This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

Paper Reference:	**SECP_72_1309_24**
Action:	**For Information**

Smarter Markets Project Update

1. Purpose

The Smart Energy Code (SEC), along with other Codes, are providing resource support for Ofgem's Faster Switching Programme. This paper provides the SEC Panel and Parties with a monthly overview of the key activities of the Ofgem Switching Programme Subject Matter Experts (SMEs) provided by SEC. The paper also covers other updates from the Programme that may be relevant to Parties. The Panel is requested to note the contents of this paper.

2. Switching Programme update

Ofgem has recently published a revised plan reflecting feedback from the Switching Programme Delivery Group, indicating that recently developed design and delivery documents, including the Data Service Provider (DSP) /Central Switching Service (CSS) interface specification, had had insufficient review by industry and that there was concern for the quality of the outputs.

A contingency of one month has been added to the programme, pushing the go/no-go decision for the (CSS) go-live to 1 July 2021. The additional month is not a window, and the Systems Integrator (SI) and Data Communications Company (DCC) are currently reviewing the latest plans to see where best to place the contingency within the plan.

From a design and delivery document (including the interface specifications) perspective, approval of these will be made at the Delivery Group on 3 October 2019. Any updates on the developments will continue to be provided via the appropriate programme channels.

3. SEC consequential changes

The SEC Project team, on behalf of the SEC Panel and Security Sub Committee (SSC), have written to Ofgem and the DCC, highlighting potential concerns over the design of the CSS. The first concern relates to integrity checks. Prior to the DCC undertaking live operations, the Competent Independent Organisation raised an observation to the SSC noting that there were no integrity checks on Registration Data. The SSC approved DCC live operations on the condition that integrity checks on Registration Data would subsequently be implemented; it was understood that this would form part of the new CSS design. To date there has been no formal confirmation from the DCC that the integrity checks will form part of the CSS design.

The second concern relates to the enduring governance of security arrangements. The SEC Project team wanted to make it clear that, despite security obligations in the SEC and the Retail Energy Code (REC) overlapping, the arrangements set out in the SEC should not be amended by the REC and vice versa without proper oversight. They suggested it is mandated that any amendments to the relevant security sections of the SEC and REC must be consulted upon by bodies under both the SEC and the REC governance before any amendments can occur. They also noted it is important that unnecessary duplication in security provisions between the Codes are kept to a minimum, since it will be difficult to ensure requirements do not become misaligned and cause issues with compliance and privacy. The team are awaiting a response, but believe it is important that the concerns are documented, and a formal response is received. To date there has been no formal communication that the issues outlined will be addressed.

The consequential changes themselves were issued for industry review in early August. To date the SEC Project team have received only two comments that require minor tweaks to the draft. The DCC are due to return their comments on 5 September 2019. Following these comments, a draft of the legal text should be ready for Ofgem to issue as part of their wider consultation. Parties will still have the opportunity to comment on the text throughout the Ofgem consultation, and it is likely some minor changes will be required to align the SEC drafting with the wider REC drafting which is yet to be seen.

4. Working Support to Ofgem

The majority of the effort this month by SEC SMEs has been on the continuing analysis of the consequential impacts of the programme and analysis of the Ofgem Switching Programme consultation.

In line with the effort as set out above, a total of **6** days has been expended on the project by the SECAS SMEs.

5. Recommendations

The Panel is requested to **NOTE** the contents of this paper.

Hannah Brissenden

Smarter Markets Team

6 September 2019