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| <b>Action:</b>          | <b>For Decision</b>      |

## Review of Export Requirements of Smart Metering: Project Initiation Document

### 1. Purpose

This paper outlines the activities planned for the review of current export requirements for the Smart Metering Programme.

The TABASC is requested to **APPROVE** undertaking the project to review smart export requirements with the DCC and relevant stakeholders.

### 2. Background

Energy UK (EUK) has reported that some of its members have made points suggesting that the current smart metering end to end solution may not necessarily support business processes which need to be successfully executed in order to become an Export Supplier (ES). EUK also stated that the execution of processes was more difficult when the ES and Import Supplier (IS) organisations were not the same.

The members in question (mostly energy suppliers) believe that the solution has been designed based on the assumption that the IS and ES User Roles belong to a single organisation, which is incorrect. Operationally, this can lead to the reliance on the IS by the ES to successfully complete some business processes, the specific list of processes is highlighted in Annex 3.

With the support of the DCC and key industry stakeholders, an assessment of the end-to-end business process should be initiated to review the current status of export for three specific contract scenarios:

- a) When the Export and Import contracts belong to one organisation; and
- b) When the Export and Import contracts belong to separate organisations.
- c) When the Export Supplier is the first supplier to install metering equipment and set up at a site.

### 3. Current Export Overview

On 10 June 2019, The Department for Business, Energy and Industrial Strategy (BEIS), amended the Electricity Supply Standard License Conditions (SLCs) to launch the Smart Export Guarantee (SEG). Having come into force on 1 January 2020, the SEG replaces the Feed-in Tariff Scheme (FiT) which ceased on 31 March 2019.

All energy suppliers who had at least 150,000 domestic electricity customers on 31 December 2019, must provide at least one SEG compliant tariff to any generator wishing a supplier to act as its ES. Suppliers that do not meet this threshold can take part in the SEG scheme voluntarily.

If an energy supplier is to reconcile and then pay funds to the generator, it must have access to the registered export readings recorded by the meter. This could be done remotely through DCC systems or by pursuing manual reads.

The purpose of this project is to look at the interactions of the IS/ES User Roles and the Service Requests available via DCC in more detail. The current suggestion is that there is a reliance on the IS from the ES. This has been identified as a potential impediment to successfully sending DCC Service Request Variants (SRVs) to access export read data. Furthermore, some suppliers have mentioned that it is fundamentally more difficult to carry out various business processes aligned to successfully carrying out its obligations as an ES if there is a different IS. This review of export requirements within smart metering looks to validate this statement.

From a DCC point of view, there are no obligations noted within the SEG that requires DCC to change its systems or services. However, the existing DCC solution has already been helping its customers retrieve accurate export data relating to FiT. The initial view from the DCC is that the solution implemented meets the current requirements. On the back of this, another appropriate assumption is that the introduction of the SEG scheme has not changed the terms within the SEC or DCC licence. As a result, the DCC cannot be expected to implement changes to its services. If there are any deficiencies discovered from the findings of this review, the appropriate SEC Parties will need to instigate these changes (through SEC modification process) as necessary.

#### 4. Participation Objectives and Deliverables

The key reasons for undertaking the review of smart export requirements are set out below:

- Identification of the issues faced by Users regarding business scenarios and processes related to export. Especially in reference to two contract scenarios, a) when the IS and ES User Roles are fulfilled by the same organisation, b) when IS and ES User Roles relate to different organisations and c) when the ES is the only organisation at a site.
- To understand if any differences in SEC Party identification could cause issues in executing export related actions.
- Identification of key impacts on the SEC and smart metering in relation to the current DCC solution of export.
- Identification of key impacts on DCC arising from the issues reported by Users regarding successfully acting as an ES.
- Identification of impacts on SEC Business Architecture and Technical Architecture.

The key deliverables to be produced are:

- Project updates to the TABASC, in the form of formal presentations or highlight reports as appropriate.
- Current process sequence diagrams for processes in Annex 3, this can then be used to identify correct sequence of SRVs and actions needed to execute processes. This is then to be reviewed by the TABASC and used to instigate any changes if necessary.
- A final report summarising findings, recommendations and conclusions from the review.
- Risk & Issue log updates specifically arising from the review of export requirements. Example risks are set out in Annex 2 of this document.

- Document changes required to the Business Architecture Document (BAD), Business Architecture Model (BAM) and Technical Architecture Document (TAD) as a result of outputs from the four workstreams and information provided by relevant stakeholders.

## 5. Programme activities

The activities which will need to be performed to review the end to end solution regarding smart export are documented in the following four workstreams.

### Workstream 1: Workshop for Relevant Parties or Service Users

The development of a workshop and accompanying meeting materials designed to collect information from key stakeholders so that the current workings of the business processes (Annex 3) can be confirmed and those not possible to be executed are identified. The outputs of these sessions will be shared with the TABASC for review, as well as the DCC so it can conduct analysis of potential issues or workarounds that are associated with DCC system interactions:

- Formulation of high-level process diagrams for business processes (Annex 3) in relation to the three contract scenarios to be studied. These processes should be from the point of view of service users, i.e. the current way of working processes.
- A capture of the business processes (Annex 3) which are executed by service users for the scenario when the IS and ES are the **same** organisation.
- A capture of the business processes (Annex 3) which are executed by service users for the scenario when the IS and ES are **different** organisations.
- A capture of the business processes (Annex 3) which are executed by service users for the scenario when the ES is the **only organisation** operating at site.
- If business processes (Annex 3) cannot be executed for a particular contract scenario, a problem statement will be generated and any potential solutions to be highlighted for the consideration of the TABASC.
- The operational and technical risks presented when the ES or IS cannot complete an export related process successfully.

### Workstream 2: DCC Assessment of Current Export Requirements and Guidelines

Working with the DCC to understand the work which has been conducted on export thus far and its impact on its service users. It is also worth noting that since it is not clear what work by the DCC has already completed, the key work activities listed below assume the worst-case scenario. If it is ascertained that DCC has already conducted a comprehensive review in this area, some activities can be scaled back as appropriate.

- Obtain a statement from the DCC on the implementation of the current solution and how this addresses the requirement for ES to operate successfully.
- Obtain a description of the work that the DCC has carried out to date on export and its future work plans on export.

- DCC to provide information on the current approach which its service users need to take to carry out business processes (Annex 3) to fulfil any SEC or other industry obligations, when both the IS and ES are the **same organisation**.
- DCC to provide information on the current approach which its service users need to take to carry out business processes (Annex 3) to fulfil any SEC or other industry obligations, when both the IS and ES are **different organisations**.
- DCC to provide information on the current approach which its service users need to take to carry out business processes (Annex-3) to fulfil any SEC or other industry obligations, when the ES is the **only organisation** at site.

### Workstream 3: Regulatory/ SEC Assessment

In conjunction with the reviews set out in Workstreams 1, 2 and 3, a regulatory assessment against the requirements of the SEC will need to be undertaken. This will involve:

- Understanding the outputs at the end of Workstreams 1 and 2, providing a regulatory assessment of any potential solutions and recommendations which will be provided to the TABASC for review.
- An assessment of export requirements as stated within the SEC and the way export obligations should be applied in practice against the described processes that service users are currently undertaking.
- An assessment of export requirements as stated within the SEC and the way export obligations should be applied in practice against the described processes that DCC service users undertake.
- The output of this workstream will be noted against the business process analysis within the final report.

### Workstream 4: Assessment of the BAD and TAD

A review of the Business Architecture Document (BAD) and Technical Architecture Document (TAD), which provides a high-level description of the processes, will be undertaken based on the information supplied by both the relevant stakeholder parties and DCC via Workstreams 1 and 2. This review of the BAD and TAD will be in reference to the specific business scenarios – Annex 3, affected by export requirements which cannot be processed as expected, this workstream will:

- Analyse the gap between the descriptive text within the BAD and how business processes currently work in practice.
- Analyse the gap between the descriptive text within the TAD and how business processes currently work in practice.
- Analyse the nature of the inputs required to undertake the task or process. This in reference to SRVs and the correct application to user business processes. This should ideally be provided by the DCC during Workstream 1.
- Review the intended scope of the task or process.

- Review the proposed actors which can undertake the task or process.
- Review of the associated process areas related to the task or process.

## 6. Budget and Approvals

To complete this activity, it is expected that the SECAS Core Team budget will encompass the costs. However, if the current scope of work increases this can be reviewed.

Approval is contingent upon the TABASC agreeing to the activity. It is also appropriate to note that participation from the DCC and its service users are key to successfully delivering the proposed outcomes of this project.

## 7. Review Points

The Smart Export Review Deliverables Plan, as shown in Annex 1, will have four key review points.

**Review Point 1:** TABASC Update 1 – After the generation of the PID, the decision by TABASC to go ahead with this project or terminate.

**Review Point 2:** TABASC Update 2 – By review point 2, the service user workshops would have been completed, resulting in a high-level articulation of processes. These can then be provided to TABASC for discussion. The TABASC can judge the output from these activities to review progress made thus far.

**Review Point 3:** TABASC Update 3 – All prerequisite activities should have been completed by this review point. This will allow the TABASC to review the work done up to that point highlighting if any other areas need to be looked at in more detail or what should be the focus of the final papers regarding overall findings. The aim will be to deliver a final paper for this session. The TABASC members can then digest this information and give feedback by the next the TABASC if any work remains outstanding or if questions about the conclusions and activities are founded.

It is also assumed that the TABASC Risk Register and Issues Logs may be amended as a result of each review point as applicable. Annex 2 provides examples of some possible/hypothetical risks.

## 8. Next steps

Subject to the TABASC's input and approval, SECAS will participate in the project and report to TABASC, as set out above.

## 9. Recommendations

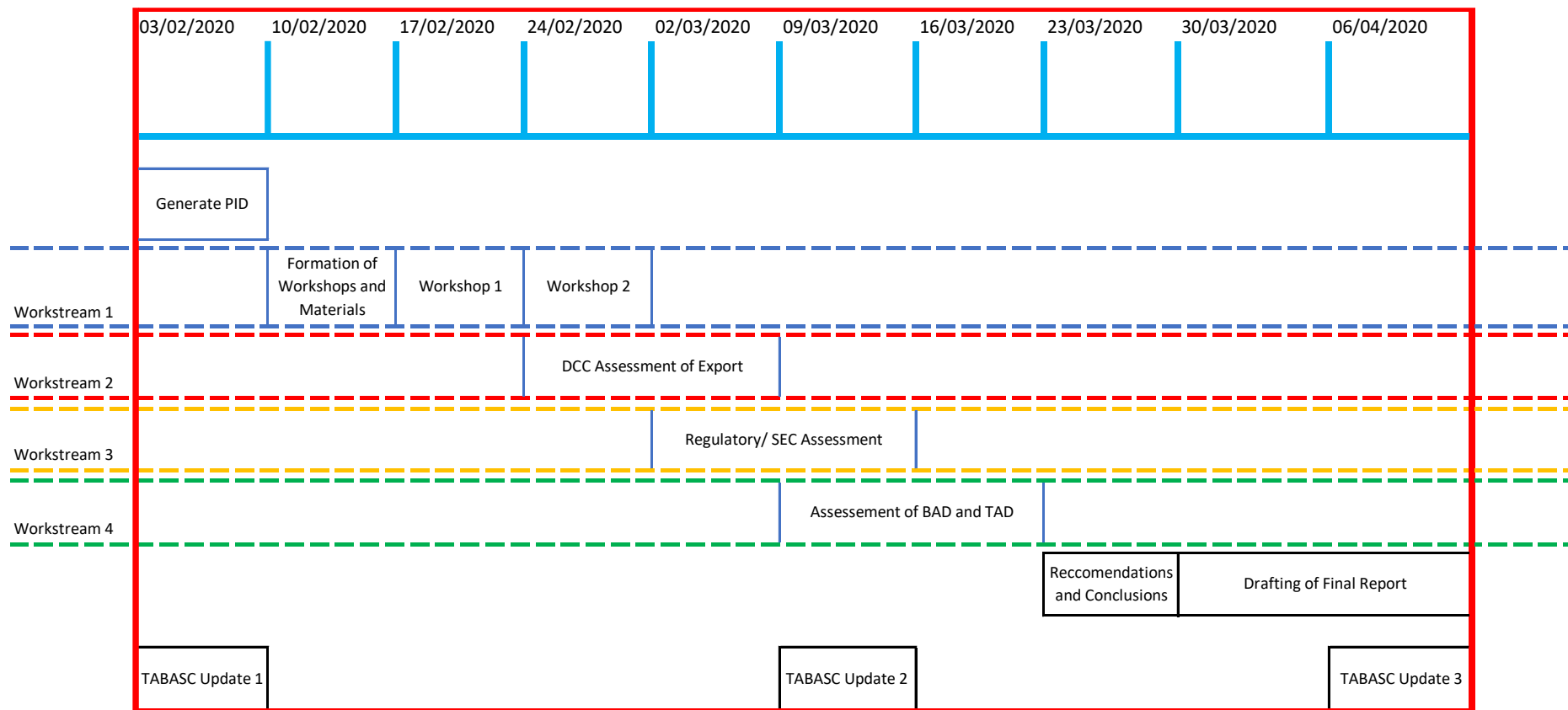
The TABASC is requested to **APPROVE** undertaking the project to review smart export requirements with the DCC and relevant stakeholders.

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23 January 2020

## Annex 1 – Smart Export Review Deliverables Plan



## Annex 2 – Example Risks

The following are provided as example / hypothetical risks that should be managed by the TABASC.

| Risk Description (There is a risk that...)   | Impact (if risks becomes an issue) ...   | Probability | Impact |
|--|--|-------------|--------|
| Introduction of new business process to solve export issue with DCC service user.                                  | Potentially complex and costly changes to DCC systems and its service users  | TBC         | TBC    |
| Parts of solution incorrectly implemented to support export requirements.  | Costly changes to implement new architecture and related SEC/ Non-SEC related technical documents.   | TBC         | TBC    |
| Dependant of DCC and service users for understanding of the current solution and operational issues within export. | Cannot complete a robust industry review of export if DCC and service users cannot appropriately identify existing concerns regarding export.                                    | TBC         | TBC    |
| No consensus on current risks and potential solutions. i.e. more guidance, changes to BAD etc                      | No agreement on enduring business processes for service users to be a successful ES or DCC implementation remains questioned as to its viability to support export requirements. | TBC         | TBC    |

### Annex 3 – Business Processes to be Assessed

| <b>Business Processes to be assessed</b>  |
|---|
| New connections and new export MPAN registrations   |
| Installation and commissioning  |
| CH and Meter maintenance/replacement/decommissioning  |
| Export readings, schedules and billing/settlements data                                       |
| Change of Supply  |
| Change of Tenant  |
| Faults and diagnostics  |
| DCC alerts/notifications received by service user in each scenario                            |
| Device Alerts received in each scenario   |
| Other process like Device Suspension where the Export Supplier is not notified via N28 alert. |