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Smarter Markets Project Update

1. Purpose

The SEC, along with other Codes, are providing resource support for Ofgem's Faster Switching Programme, specifically the design team work areas under three Workstreams, as set out in Section 2 of this paper. This paper is provided as an overview of the key activities since the last reporting period to Panel.

The design teams' work products are available to the Programme User Groups and the External Design Authority Group (EDAG) members.

This paper is structured as follows: a short summary of the background precedes an overview of the key activities of the three Workstreams that Panel-sponsored SECAS resource supports, as well as any other items of note for the Panel from other Programme meetings. Section 3 provides an overview of where those SME efforts were focussed within the reporting period.

2. Detailed Level Specification Phase (DLS) overview

A Design Forum is scheduled for 8th March, which is for all User Group representatives when industry will receive presentations on various aspects of the REC and Faster Switching.

2.1 Background

The DLS phase is proceeding based on the preferred reform package: 'RP2a'. This phase of the project is nearing completion and versions of various products are being baselined for stakeholder review sessions prior to submission to Ofgem's Technical Design Authority (TDA). The Workstream leads have been chiefly refining their final recommendations ready for TDA consideration in order for the Programme to move to the next phase – 'Enactment'.

2.2 E2E Design Team (E2EDT)

As previously advised, the business process design team meetings have reduced, with DCC resource providing the bulk of the effort in finalising the materials that will form the baseline. Information is being made available via Webinars.

It is not known yet when the E2EDT sessions and User Group meetings will resume.

Ofgem have indicated that they are seeking further SME support for the next phase, Enactment, but as yet we do not have details on the effort or deliverables. We are aware that the technical and user specifications are being finalised, but these have not yet been signed off.

2.3 Regulatory Design Team (RDT)

The RDT effort is by far utilising most of the SME resource effort.

The RDT are preparing discussion papers for upcoming User Group review and feedback. Topics include:

- The make-up of the REC Panel;
- The REC Modifications process;
- REC Funding and cost recovery;
- The Security and data privacy implications for CSS Users.

On the commercial front, a legal brief has been developed to serve as the legal instructions to the lawyers. Whilst this document will recognise that existing Code changes will be required alongside those in the REC, the arrangements to be covered there will not form part of any REC legal drafting.

Ofgem have prepared an Invitation to Participate for legal companies who wish to be considered for provision of legal advice for the Code content. They intend to contract with the preferred bidder from early March. The intention is to work together with the legal team in order to progress both REC and existing Code provisions regarding Faster Switching and the CSS.

Ofgem are planning a User Group consultation of indicative REC content for publication in May 2018.

2.4 Delivery Strategy Design Team (DSDT)

There have been no meetings within period, pending a plan for the Enactment phase and outputs.

3. Working Support to Ofgem

By far the largest effort this month has been on reviewing the RDT outputs. This is further informed by the use of our insights from our work supporting the business process design team alongside our RDT deliverables.

Some of this will fall to the existing Codes, indeed, the BPDT have signalled that the variations to the existing systems and process will be determined by the existing Code change mechanisms. We will be in a good position to produce substantive information to the industry representatives that will be supporting these working groups. A clearer picture of how these will be factored into existing Codes is emerging and we expect to be able to provide an early view of this to the Panel soon.

In line with the increase in effort as set out above, a total of 37 days has been expended on the project by the SECAS SMEs.

4. Recommendations

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

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2nd March 2018