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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. This paper provides SEC 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.

2. REC Drafting

SEC SMEs have continued to support Ofgem on the drafting and reviewing of Retail Energy Code (REC) Version 1 and 2 content as well as developing an options paper to help inform Ofgem's policy positions on the remaining enduring REC content. In the last month, Ofgem has also been further developing its thinking with regards to the Joint Industry Plan (JIP). Its thinking will be shared which it intends to publish as part of its October 2018 consultation.

The Ofgem Design Authority is meeting later this month to approve content for publication in the October 2018 consultation. This will include, amongst others, the previously consulted on content of;

- Address Management;
- Change Management
- Data Management;
- Registration; and
- Interpretation.

In addition to the above, Ofgem intends to publish additional enduring REC content for consultation. This is expected to include arrangements for the REC entry process, CSS service management and the exceptions process for resolving disputed, delayed or missing switch meter readings.

Legal review of new content is underway by Gowlings WLG with SEC and other code SMEs providing clarifications on any questions the legal review identifies.

The decision to the June 2018 consultation will be published alongside the consultation on further REC content in the October 2018 publication. The proposed licence conditions for the Statutory Consultation are due to be published imminently.

3. Design Forum Update

Six Change Requests (CRs) are currently going through Ofgem's change process and are seeking to amend Design Baseline 4. These CRs were reviewed at a Design Forum meeting held on 1 October 2018, which was attended by SEC SMEs.

One CR is of specific interest to the SEC Panel CR-E07 'DSP Fault Tolerance Omission from the End to End (E2E) Non-Functional Requirements (NFRs)', detailing that the smart metering Data Service Provider (DSP) had been omitted from the non-functional requirements products and sought to include them. This would ensure that the DSP operates to the same standards placed on all central data services including the CSS (Central Switching Service). It was stated in the meeting that the cost to the DSP would be minimal as the DSP would have expected this requirement and would only see this change as a housekeeping update. The DSP will confirm the cost and it will be added to the drafted change before it is finally considered by the Design Authority.

Additionally, Ofgem indicated that a recent review of the Service Management products suggested that the approach to Business Continuity and Disaster Recovery (BCDR) and any potential requirements on market participants and central data service providers is not sufficiently clear. They have concluded that the approach and requirements will need to be revised to mitigate any impact on the Customer switching experience. The review and consequential impacts to the CSS, other central systems and market participants will be made clear by January 2019.

4. Consequential SEC Changes

Ofgem has begun contacting Code Panels and their administrators to prompt reviews by Codes to determine the likely consequential impacts on their codes (if any). SEC SMEs have begun discussing such a review with Ofgem and a representative will attend the October SEC Panel to provide further information. Ofgem has published a new version of the Switching Programme plan (September 2018) and expects the necessary changes to existing codes to be completed by March 2019.

SEC SME's continue to contribute to identifying and analysing the consequential changes that will be required due to the design of the CSS system and interfaces.

5. Working Support to Ofgem

By far the largest effort this month has been on drafting and reviewing the REC content ahead of the latest (October) Ofgem Faster Switching Programme Consultation.

In line with the effort as set out above, a total of 5 days has been expended on the project by the SECAS SMEs.

6. Recommendations

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

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