

Terms of Reference

Regulatory and Commercial Framework Sub Group (Sub Group 3)

Purpose

- The purpose of the Regulatory and Commercial sub-Group (RCSG) is to assist the DCG in providing analysis and advice to the Programme team on options for key aspects of DCC establishment and operation, as well as the proposals for the Smart Energy Code (SEC) and its governance.
- The objectives of the sub group are as follows:
 - to undertake specific tasks allocated by the DCG Expert Group with respect to the delivery of detailed analysis on issues relating to the key aspects of DCC,
 - to undertake specific tasks allocated by the DCG Expert Group with respect to the structure and governance of the Smart Energy Code,
 - actively contribute to the consideration of options with respect to the roles and responsibilities at the consumer premises,
 - actively contribute to identifying regulatory and commercial risks associated with the activities outlined above.
 - Actively identify and security and privacy issues related to each of the aspects covered by the subgroup,

The RCSG will operate in an advisory capacity to the DCG Expert group and holds no decision-making powers.

Background

- The programme team outlined proposals as part of the Prospectus published on 27 July 2010. We have identified a number of specific areas where stakeholder input will be required.
- As part of our broader engagement strategy, the programme is setting up two expert groups to draw upon the experience of industry participants and other stakeholders: the Data and Communications (DCG) and the Smart Metering Design Group (SMDG).
- The expert groups will have the discretion to establish sub-groups to undertake specific tasks. The RCSG is one of three subgroups under the auspices of the DCG.

Review Point

- The Terms of Reference and membership of the RCSG may be reviewed at any time by the DCG Expert group and the chair of the RCSG to ensure that they remain appropriate for the requirements of the programme.

Rules of Participation

- Participants should endeavour to provide resources to assist in the development of the RCSG deliverables.

- Any discussion in meetings and views expressed or implied in such discussion or associated documents are without prejudice to and shall not limit the discretion of the programme team with regard to the government decisions. Equally, views expressed by participants during meetings will not be treated as the formal position of the organisation they are representing, and will in no way prejudice consultation responses.

Membership

Membership to the RCSG will be approved by the DCG. The RCSG will have three work areas that will consist of different participants for the different deliverables.

Each organisation will be limited to one Member whose membership must be endorsed by a senior manager in the organisation. This member must also have a designated 'alternate'.

Deliverables

The outputs from the subgroup will fall into three areas: (1) the roles and responsibilities at the customer premises; (2) key aspects of DCC regulatory and commercial model and (3) Development of the Smart Energy Code. Based on information to be gathered and analysis to be conducted by the subgroup the following outputs in the form of papers will be the key deliverables of the RCSG.

Roles and responsibilities for smart metering equipment at the consumer premises

- Assessment of options for roles and responsibilities for smart metering equipment at the consumer premises.

Membership

Suppliers
Intellect
SBGI
Consumer Focus
ICOSS
AMO

Assessment of key aspects for the establishment of the DCC and Governance arrangements

- Assessment of options with respect to key aspects of the establishment and operation of DCC, including:
 - Extent of regulation of DCC's functions and activities, including procurement and contract management, service levels, and security requirements;
 - Incentive mechanisms;
 - DCC's cost recovery; and
 - Viability and financing.

Membership

Suppliers
ENA (x2)
ESTA (x1)
ICOSS

Smart Energy Code

- Critique of a proposal for a Smart Energy Code including its governance and proposed contents; and
- Catalogue of potential changes to existing regulatory instruments (licences, codes and industry agreements).

Membership

Suppliers
ENA
Central Bodies

Resources and roles of the RCSG members

The Chair will be a member of the Smart Metering Implementation Programme and will be responsible for:

- Confirmation of each meeting agenda with the secretariat,
- Facilitation of meetings so that they run to agenda,
- Confirmation of working assumptions,
- Agreement of responsibility for actions and resolution of issues,
- Ensuring register of issues and assumptions are complete and up to date,
- Managing the update and discharge of the actions record,
- Acting as the interface to the DCG (the chair may delegate this activity to a member of the sub group if necessary),

The Technical Secretary will be responsible for:

- Producing draft agendas,
- Identifying and agreeing agenda items with Chair/Members,
- Capture of actions at meetings,
- Agreement of ownership of issues/actions with Chair,

- Production, circulation and agreement of final (brief) minutes,
- Scheduling of meetings/ attendance,
- Distribution of agendas and any papers,
- Maintaining Action and Issue Registers and follow up as appropriate,
- Maintaining Assumptions Register; and
- Updating websites

Group members will be responsible for:

- Undertaking analysis and evaluations; and
- Producing deliverables in the form of papers.

Meetings

- Meetings will be held at Ofgem's offices at Millbank where possible.
- The subgroup chair will have the discretion to invite interested parties to attend any meeting to maximise participation in the expert group process.
- Membership of the RCSG group is approved by the DCG Expert Group.
- RCSG members may cease to be a member of the expert group if they:
 - fail to contribute actively to the group's work programme; or
 - are otherwise notified by DCG through the group leader.

Transparency

The schedule of meeting dates and times, agendas, minutes and papers for the meetings will be published on the Ofgem website.

Timetable and frequency of meetings

Meetings will initially be scheduled on at least a 2-weekly basis from September 2010 to January 2011. This will be reviewed by the group leader as appropriate.