

DCG SG2 Meeting 3 Minutes

Minutes of the third meeting of
DCG Subgroup 2.

From SG2II
Date and time of Meeting 10am, 22 September 2010
Location Ofgem

05 October 2010

1. Present

Dora Guzeleva (Chair)	Ofgem
Rosie McGlynn	British Gas
Anna Fielding	Consumer Focus
Chris Spence	EDF Energy
Jason Stevens	Engage-consulting
Steve James	Eon-UK
Jeremy Guard	First Utility
Lisa Harris	Shell
Alastair Bates	AMO
Liz Kenny	RWE Npower
Jamie Dunnett	Scottish Power
Mark Knight	SSE
Andrew Beasley	Utilita
Sajna Talukdar	Ofgem

2. Draft Minutes and Action Log

- 2.1. The group reviewed the draft minutes and further amendments to be made were noted.
- 2.2. Six completed scoring spreadsheets (i.e. assessments of each Option against the Principles) were circulated, along with the updated Interim Options Review Paper, change requirements for industry, Definition of Principles, Interim Operability Principles and Issues, and Requirements paper.

3. Discussion

- 3.1. It was suggested that all parties revisit the 5 Options and assess them against the Requirements and Principles (i.e. objectives).
- 3.2. The subgroup noted the ratings for all Options and an action was assigned to capture and distribute the groups evaluation of the options. An action was also assigned to British Gas, SP of the ERA, to produce an updated scoring of Options against Principles with notes to distribute to the subgroup.
- 3.3. To allow the subgroup to balance the assessment against the objectives of the Interim Arrangement, it was suggested that they:
- (i) Understand what each Principle means.
 - (ii) Prioritise these.

- 3.4. A question arose around how to get to the position of having a Pre-DCC central body for the interim options. Two issues were raised:
- (i) Cost: Issue of risks of incurring costs that may need to be salvaged?
 - (ii) Timeframes: Whether arrangements could commence at the start of the accelerated rollout?
- 3.5. It was suggested that there should be a controlled approach to rollout.
- 3.6. There was a question around whether the suppliers are prepared for the challenge of the interim arrangements negatively impacting on competition for the enduring process.
- 3.7. It was clarified that an IT Provider may be needed for the interim solution. This would result in them potentially being precluded from competing for the long term enduring DCC solution.
- 3.8. There was a lengthy discussion about how the procurement process could work for an interim solution with a presentation from a group member suggesting that Ofgem could appoint the Pre DCC service provider in advance of the DCC Licensed Entity being appointed. Concerns were expressed about the impact of any procurement exercise relating to services which are similar to those which will eventually be provided by DCC service providers. Group members took an action to seek legal advice on this.
- 3.9. A concern was raised that it could be expensive to award contract only for the short period of interim solution.
- 3.10. It was clarified to the subgroup that Ofgem could be challenged if it was to act as the procurement body to procure an interim DCC as it is obliged to grant a licence following a competitive licence applications process.
- 3.11. There was a suggestion that the group could start to define elements of the technical specifications for the interfaces which could then be embedded into the Smart Energy Code (SEC) for the enduring solution. A license condition could be added to mandate the use of the interim solution for all the suppliers. This licence condition would contain a broad brush of aspects of design that must be applied to the interim solution.

4. Assessment of proposed Interim Options

- 4.1. The subgroup decided to group Options 1-3 together as they would require the creation of a new interim central service.
- 4.2. Option 6 would require suppliers to be able to support all Head Ends individually (e.g. their systems would need to support all software variants) and Option 5 would require suppliers to build interfaces to support information provision from new agents (i.e. agents they have not previously contracted with). The group decided to assess Option 5 and gain more understanding on Option 6.
- 4.3. It was decided to take the approach of reviewing Option 5 and Option 6 separately and then assess Options 1-3 together against the Principles and Requirements.

Rating definitions for Principles

- 4.4. It was decided to have a rating system from 1-5 against which to rate the Principle 'Positive customer experience' for all the interim solution options:

- (i) Rating 1: Consumer cannot switch
- (ii) Rating 2: Consumer goes back to 'dumb' mode
- (iii) Rating 3: Partial loss of functionality (e.g. AMR solution remote-reads only consumption information on IHD)
- (iv) Rating 4: Loss of some smart service functionality
- (v) Rating 5: All functionality retained at CoS (High Level criteria from A to H)

4.5. The six Principles rating criteria against which to rate each solution Option was also defined:

- (i) Rating 1: High risk
- (ii) Rating 2: Medium risk
- (iii) Rating 3: Low risk

Option 5

4.6. It was explained that the key principle with this option was that the process would operate as it does now in general.

4.7. With this option there would still be a need to identify that a meter is Smart, just as with all the other solution Options.

4.8. There would be a meter reading AMR service, which would act in the same way as currently, using the same communications flow. The new supplier would need to appoint the old suppliers' Data Collector agent. Security of data would be quite important here.

4.9. A commercial arrangement would be needed with the old supplier (asset owner) to enable upgrade to take place. Security requirements would be needed for exchange etc between individual MAMs.

Option Assessment against Requirements and Principles

4.10. The subgroup reviewed the list of Interim Interoperability Arrangement (IIA) Requirements to see if Option 5 could fit each Requirement. The following discussions arose.

4.11. A question mark was put against Requirement (4) as this requirement would not be fully met. A site visit would be needed when the contract were to change to pre-payment mode. When the customer churns, the obligation for the old SP will be to provide the same service to the new supplier.

4.12. It was expressed that there is a need to ensure communication providers are providing the same Terms and Conditions to the incoming supplier.

4.13. It was noted that new interfaces would need to be developed for any functionality above and beyond meter reading.

4.14. It was felt that all options need to be compliant with Requirement (5) 'The end-to-end IIA infrastructure shall be secure in its design and operation'. A question mark was put against this requirement as there was a question of whether the WAN module can be partitioned on Change of Supplier.

- 4.15. Requirement 8 would be met by Option 5. There would be some element of building commercial relationships under Option 5 as the new supplier would need to get agreement with the old supplier and their agents.
- 4.16. A concern was expressed that this requirement may not be commercially or technically feasible. A standard service agreement would need to be in place, which could result in competition issues requiring further analysis. This risk needs to be checked because not allowing the incoming supplier to choose its own agent means that they are forced to appoint the incumbent supplier.
- 4.17. A question mark was placed against Requirement (14) as it would require additional activity currently not included in AMR.

Smart Meter High Level Functionality of IIA Assets

- 4.18. The functionality of Option 5 was analysed against the High Level functionality essential requirements:
- (i) A: Option 5 would fully meet this criterion
 - (ii) B: Overall, Option 5 would not be able to meet this essential criterion. Two-way communications would not work as there would have to be changes to process flows. Option 5 would only be able to transfer consumption data at defined periods.
 - (iii) C: The HAN would be based on open standards and protocols. Option 5 would be able to provide consumption information through IHD. Other devices would not be able to link to the meter.

Option 6

- 4.19. It was considered that with this option each supplier would retain their own Head End. There would be a change in obligation requiring the losing supplier to give communications information to the winning supplier. The Communications contract may require the supplier to do some site visits.
- 4.20. An issue was raised around the need for Head Ends to manage different protocols:
- (i) Issue I004: For interoperability purposes, it is requested that SMDG consider standard messaging protocols for all meter types to Head Ends and to refer to the European work on this issue.

Option Assessment against Requirements and Principles

- 4.21. In addition to the ratings for Option 6 against the Requirements and Principles the following discussion arose.
- 4.22. A technical question was raised for COTE to address (I005): Can two suppliers technically have access to the same WAN module at the same time?
- 4.23. To meet Principle 2, the subgroup asked if Option 6 would use one Communication module with partitions or use two separate WAN modules.

Smart Meter High Level Functionality of IIA Assets

- 4.24. It was noted that Option 6 would meet all the essential functional criteria (i.e. A to C).

Options 1 – 3

- 4.25. Options 1-3 were assessed as a group against the Principles and rating noted down by the subgroup.
- 4.26. The subgroup discussed the possible impact on the Benefits Case of rolling out dumb meters and only switching them to Smart meter in time for Go-Live. It was considered that this approach would not impede target rollout volumes but may impact the Benefits Case.
- 4.27. There was a discussion whether those involved in the pre-DCC body can tender for the enduring solution.
- 4.28. A question was raised whether there were any services in Options 1-3 which could be provided by an existing Service Provider (rather than building a pre-DCC central body) where obligations could simply be extended to several existing bodies.
- 4.29. It was considered that under those circumstances, suppliers would act as the contracting entity for intellectual property and extended services during the interim solution.

Option Assessment against Requirements and Principles

- 4.30. When rated against the Key Principles, all Options 1-3 were given a rating of 4 ('Loss of some smart service functionality').
- 4.31. All Options 1-3 were rated Medium risk for Principle (2) 'Deliver Economic value', Medium risk for Principle (3) 'Easy to integrate and operationalise', and Low risk for Principle (6) 'One participant cannot prejudice (or be prejudiced by) the interim arrangements'. Both Options 1 and 3 were rated Medium risk for Principle (1) 'Quick and economic to deliver'. However Option 2 was rated High risk for Principle (1).
- 4.32. The group was unable to complete the assessment of Options 1-3 against Principles 7 and 8, and this is to be completed in the next subgroup meeting.

Smart Meter High Level Functionality of IIA Assets

- 4.33. The functionality of Options 1-3 were not analysed against High Level functionality of essential requirements during the subgroup meeting.

5. Issues Log

5.1. The following issues were logged at the meeting:

Ref	Date Raised	Raised by	Description of Issue	Impact	Impact date	Priority (H, M, L)	Action Required	Issue Owner (programme / project/ workstream)	Action Taken	Date Updated	Status
I001	15.09.10	DCDD_SG2	Should the consumer be made aware that their meter could be removed from the wall if it is not compliant? To be considered as part of the development of the Code of Practice.					SMDG			
I002	15.09.10	DCDD_SG2	As a requirement, the customer will decide who has access to their historical data. SMDG to consider the technical issues around this requirement. This is to be added as a principle in the Requirements paper.								
I003	22.09.10	DCDD_SG2	Consider standard messaging protocols for meter types to Head Ends, and refer to the European work on these issues.								
I004	22.09.10	DCDD_SG2	Technical Q: Can two suppliers technically have access to the same WAN module at the same time?				Provide answer to question				

6. Follow up Actions

Ref No	Date Raised	Action	Date Due	Action Owner	Date Updated	Status
A001	15.09.10	Minute ref: 7.6: Provide the Group members the amended matrix for them to use during their assessment.		Liz Kenny (RWE Npower)		
A002	15.09.10	Minute ref: 7.6: Group members to provide assessment of Options 2, 3, 5 and 6 from their perspective against the principles and requirements, as well as assessment of the option		DCGSG2 Members		
A003	22.09.10	Minute ref: 2.4: Produce an updated scoring of Options against Principles and Requirements with notes on assessment and distribute this to the subgroup.	27.09.10	BG and SP.		