

DCG SG2 Meeting 5 Minutes

Minutes of the fifth meeting of
DCG Subgroup 2.

From DCG_SG2II
Date and time of Meeting 10am, 06 October 2010
Location Ofgem

06 October 2010

1. Present

Dora Guzeleva (Chair)	Ofgem
Rosie McGlynn	British Gas
Chris Spence	EDF Energy
Jason Brogden	ERA ((Engage-consulting))
Steve James	Eon-UK
Lisa Harris	Shell Gas Direct on behalf of ICOSS
Alastair Bates	AMO
Liz Kenny	RWE NPower
Jamie Dunnett	Scottish Power
Iain Matthews	Scottish Power
Mark Knight	SSE
Nigel Nash	Ofgem
Geoff Hatherick	DECC
Andrew Beasley	Utilita
Sajna Talukdar	Ofgem

2. Draft Minutes and Action Log

2.1. The subgroup agreed to review minutes for the previous meeting (4) and provide comments before the next meeting.

3. Discussion

3.1. There was a discussion held on the Interim Interoperability Implementation paper which intends to capture the discussion from the last meeting. The two elements of the paper would be considered separately and then amalgamated into one Request for Information paper to be submitted to DCG Expert Group.

3.2. The subgroup walked through the Interim Interoperability Implementation paper which brings together all of the papers and the analysis undertaken by the group so far, as well as the areas discussed in the previous Subgroup 2 meeting (held on 29th September).

4. Governance and Implementation options for all options

4.1. The paper tries to reflect the Options for transition from interim to enduring solution, with timescales highlighted.

4.2. The group commented that areas missing from the paper included:

- (i) Principles
- (ii) Requirements

- (iii) Options
- (iv) Implementation timescales
- (v) Risks, Issues and Dependencies logs.

4.3. The group requested that the document be amended to layman terms. It was also suggested to rephrase/tone down elements of the document to make more suitable for submission to DCG.

4.4. **ACTION:** The subgroup members will provide their view on the optimum Governance arrangement for each of the options.

4.5. It was agreed that there is a need to revisit the Interim Interoperability Implementation paper with a view to provide greater level of detail in the description for each Option specified in the Information Request that will be submitted to the DCG.

4.6. There was a lengthy discussion around the contracting/licensing structure for the Interim Interoperability Arrangement (IIA) and the following emerged:

Options 1- 3

4.7. One group member suggested that Options 1-3 be split into their individual Options 1, 2 and 3, as there are different Governance options for the three IIA Options.

A point was raised that Option 5 and Option 6 fits well with a common set of bilateral arrangements and that more activity is needed around the functional requirements in Options 1 to 3. Supply Licence Condition will obligate suppliers to be compliant with interim interoperability arrangements. Further detailed information will need to be set out to describe the actual arrangements themselves. Option 5

4.8. The subgroup discussed Option 5 and highlighted that there is a requirement to identify that there is a Smart Meter in situ and that this is common for all the options.

4.9. The group expressed two distinct preferences on the extra service required for Option 5 and who would provide these services:

- (i) A new central procurement activity would be needed to provide the new centralised service.
- (ii) The current registration systems and existing industry business processes would be extended to provide the new service.

4.10. The group decided to make an explicit assumption for Option 5 that there will be an extension to the existing arrangement for Xoserve and MPAS and that a new body will not be required.

4.11. The level of security and encryption needed for the IIA was discussed and risks around registered supplies highlighted.

4.12. In terms of Access Control, it was explained that in the Interim Interoperability Implementation paper the understanding is that registration of authorised parties is done through existing registration services (i.e. via a registered supplier using registered agent).

4.13. The group highlighted that the risks around security exists in the current process and questioned whether this was good enough to accept during the smart meter rollout. It was decided to capture this risk as part of the Information Request.

- 4.14. The subgroup clarified that the underlying principle of Option 5 is that there is no requirement for a central service to be procured rather amendments will be made to existing registration databases.
- 4.15. A member of the subgroup was of the view that Data Access control could be a major issue. The assumption is that access control is done on the basis of current registration and appointment data.
- 4.16. **ACTION:** A member of the group will quantify the above risk relating to Data Access and provide this to the subgroup.
- 4.17. A suggestion was made to cover both the governance as well as competition issues for each of the Interim Options.
- 4.18. There was a discussion around Novation of Communications Contracts to the interim central service provider. Compliant metering systems will migrate to the DCC and it is anticipated that the associated communication contracts will be novated to the DCC. If the DCC does not believe the communication contract's terms and conditions meet certain criteria (value for money etc) then the DCC should be free not to accept those contracts.

Novation/Exit of Communications Contract

- 4.19. A question was asked as to how the contestability of communication contracts is supported. The subgroup will need to address this at some point.

Independence of DCC

- 4.20. The group expressed a view that the wording in this section of the document was acceptable and needed no re-work.

Procurement Principles for IIA Options 1-3

- 4.21. It was explained that the legal information provided by members was used for this section of the paper. British Gas is getting more detailed advice on this and aims to send the detailed information to the subgroup.
- 4.22. **ACTION:** ERA to expand and clarify the section on Procurement Principles.
- 4.23. The group was asked to consider how it can be ensured that the transfer value of the IP is kept at a reasonable level.

Issues

- 4.24. It was mentioned that the list of issues stated in this section of the paper were potential questions to ask via the Information Request.
- 4.25. **ACTION:** ERA will make amendments and amalgamate all papers by COB Friday for the DCG.

5. Options and Principles – Cost/Benefits

- 5.1. **ACTION:** The subgroup will provide qualitative analysis of the Options (i.e. the general pros and cons) to Ofgem by next week.
- 5.2. **ACTION:** All subgroup members will send Ofgem comments on the Costs table to Eon-UK by lunch time on Friday, 8th October.

- 5.3. **ACTION:** Eon-UK will send the uniform template on cost to Ofgem by Tuesday 12th October, morning.
- 5.4. **ACTION:** The Chair will submit the Information Request paper to DCG. The Subgroup will send Order of Magnitude Costs analysis to the Chair by Thursday 21st October.
- 5.5. **ACTION:** The Chair will make anonymous the individual Order of Magnitude Costs analysis sent by all subgroup members and will send it to the subgroup by Friday 22nd October.
- 5.6. The Chair stated that the following documents will be presented to DCG:
- (i) Draft confirmed version of the three papers the subgroup has developed so far.
 - (ii) The draft list of questions to ask in the Information Request.
 - (iii) The Cost template

6. Questions

6.1. There are three groups to ask questions to:

- (i) Energy suppliers
- (ii) Existing industry central bodies, DNOs, IDNOs, IGT's and metering agents
- (iii) Data IT and Comms companies

The subgroup noted a number of questions to ask in the Request for Information to be submitted to the CoTE.

- (i) Standardising of message protocols between DCC and meters. – For SMDG to answer.
- (ii) Breakdown of procurement and set up cost and timeframes.
- (iii) Intent to transfer interim IP and systems to DCC and what is the impact
- (iv) How to best manage communication contracts?
- (v) Do you have any ideas on the most efficient way of transferring existing communication contracts to DCC?
- (vi) Are there any competition issues associated for each Option? And if there are, what are the mitigation actions?
- (vii) What are the Implications of parallel running or transition of pre-DCC Solution into the DCC?

6.2. A question was raised around how to standardise outputs from Head Ends to suppliers systems.. It was suggested that if this is put into standard web services (using XML), this resolves the issue. It was suggested that this should become a pre-condition.

7. Transition of each option into the enduring world and how to facilitate this

7.1. There was a lengthy discussion of the definition on Option 1. Some group members thought that on a change of supplier event the access control to the metering system is

managed via a central service provider. The losing supplier no longer has the ability to access the metering system. .

- 7.2. **ACTION:** ERA will produce a high level conceptual diagram for Option 1, as part of the information request pack being put together.
- 7.3. The group further explained Option 1. In this Option, the original supplier uses its Access Control to the data in the meter. Upon CoS, access control moves across to the central body. The new suppliers will then access the data through the old suppliers Head Ends and therefore partitions are needed.
- 7.4. There was a question around whether access control for all meters should move to the central body from interim go-live date, or if they should move across on CoS. The approach would affect pre-payment and volumes.
- 7.5. It was clarified that unlike Option 5, each supplier will procure transaction services for all the meters under Option 6.
- 7.6. The group expressed a view that Options 1-3 will not support pre payment functionality in the interim period. The group have previously agreed that if suppliers are operating meters in pre payment mode they will switch the meter to credit in advance of the change of supplier event taking place. .
- 7.7. It was clarified that under interim Option 3, Head Ends and access control are all located in one place so is this effectively a pre-DCC central body in principle. The functionality would be thus reduced from the DCC however and the service providers would need to recover their costs within the 2 years between the rollout and DCC Go-live.
- 7.8. The group clarified for each option, when transition would take place:
 - (i) Option 1a – Upon CoS
 - (ii) Option 1b – All upon Start of Interim Interoperability Arrangements
 - (iii) Option 2 – All upon Start of Interim Interoperability Arrangements
 - (iv) Option 3a Unified Head End– All upon Start of Interim Interoperability Arrangements
 - (v) Option 3b Multiple Head Ends– All upon Start of Interim Interoperability Arrangements
 - (vi) Option 5 –Upon CoS
 - (vii) Option 6 - Upon CoS
- 7.9. Assumption: With all the Options suggested, the subgroup has assumed that there will be no mass migration of meters covered by Interim Interoperability Arrangements upon DCC Go-Live but that instead a staggered approach will be taken on controlled events.

8. Costs & Benefits

- 8.1. There were 4 questions to be answered by each organisation:
 - (i) Implementation cost

- (ii) Operating cost
- (iii) Benefits of each option
- (iv) Timescales

9. Pros and Cons of Options

9.1. The group considered that they should wait till responses to the information request come back to assess all the options against the following Principles:

- (i) Principle 2 'Quick to deliver'
- (ii) Principle 3 'Deliver net economic benefit to suppliers'
- (iii) Principle 4 'Does not undermine enduring arrangements'
- (iv) Principle 7 'Minimal change to/impact on existing industry infrastructure, dataflows, processes and participant systems'

9.2. The subgroup agreed to raise Principle 5 'Does not undermine enduring arrangements' to a pre-condition, as was previously done with what was Principle (Positive Customer Experience).

9.3. It was suggested that the interim solution should be a temporary solution which will be wound back when the DCC solution goes live. The IIA should therefore offer minimum change at minimum cost.

9.4. The subgroup requested to put forward a question to the CoTE on the transitional arrangement and cost, as there was a question raised around how to evaluate the cost of running parallel systems.

9.5. Assumption: All Interim options are assumed to have an end date, though some migration may need to take place over time. A key overarching principle is that each option must demonstrate it does not undermine the enduring solution.

9.6. The rating against Principle 8 'One participant cannot prejudice (or be prejudiced by) the interim arrangements' was rated as low risk for Options 1 and 3 and medium for Option 2.

9.7. Rating against Principle 9 'Interim Arrangements must be robust to the aggregated volumes of metering systems set in suppliers' roll-out plans' could not be performed at this stage as this is a quantitative Principle which the subgroup members need to go away and evaluate.

9.8. There was a discussion around the volumes of smart meters that need to be supported by the Interim Interoperability Arrangements. It was suggested that scenarios of 3M, 6M and 9M are used for the basis of the cost analysis. For CoS, the subgroup assumed 20% per annum churn.

Minutes

10. Issues Log

10.1. 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				

11. 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.		
	29.09.10	Update minutes from comments: 4.17 (iii) consumption info through IHD; 3.7 IT provider may be needed; Include Rosie's text on the procurement discussion; 4.1 – rationale for grouping 1-3 was that they require the creation of a new interim central service.		DG	04.10.10	Closed
	29.09.10	Consolidate paper and add appropriate sections (as above)		JB		
	29.09.10	Provide comments to Chris Spence on his paper		All Subgroup members		
	29.09.10	Consider the governance options again and to identify		All		

		the preferred governance/implementation options		Subgroup members		
	29.09.10	Consider whether we need JPW-like contracts in Option 5 to provide consistency/robustness		All Subgroup members		
	29.09.10	Draft and deliver security presentation		Ofgem/Jo e Hancock		
Mtg5_01	06.10.10	4.4 ACTION: The subgroup members will provide their view on the optimum Governance arrangement for each of the options.		All Subgroup members		
Mtg5_02	06.10.10	4.16 ACTION: A member of the group will quantify the above risk relating to Data Access and provide this to the subgroup.				
Mtg5_03	06.10.10	11.1. 4.22 ACTION: ERA to expand and clarify the section on Procurement Principles.		ERA		
Mtg5_04	06.10.10	11.2. 4.25 . ACTION: ERA will make amendments and amalgamate all papers by COB Friday for the DCG.	08.10.10	ERA		
Mtg5_04	06.10.10	5.1 ACTION: The subgroup will provide qualitative analysis of the Options (i.e. the general pros and cons) to Ofgem by next week.		All Subgroup members		
Mtg5_05	06.10.10	5.2 ACTION: All subgroup members will send Ofgem comments on the Costs table to Eon-UK by lunch time on Friday, 8 th October.	11.10.10	All Subgroup members		
Mtg5_06	06.10.10	5.3 ACTION: Eon-UK will send the uniform template on cost to Ofgem by Tuesday 12 th October, morning.	12.10.10	Eon-UK		
Mtg5_07	06.10.10	5.4 ACTION: The Chair will submit the Information Request paper to DCG. The Subgroup will send Order of Magnitude Costs analysis to the Chair by Thursday 21 st October.	21.10.10	DG		

Mtg5_08	06.10.10	5.5 ACTION: The Chair will make anonymous the individual Order of Magnitude Costs analysis sent by all subgroup members and will send it to the subgroup by Friday 22 nd October.	22.10.10	DG		
Mtg5_09	06.10.10	7.2 ACTION: ERA will produce a high level conceptual diagram for Option 1, as part of the information request pack being put together.		ERA		