

DCC SSSG 1: Scope & Services Workstream

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| DRAFT Minutes of Meeting 3 of the SSSG | From: | Ofgem | 24 September 2010 |
| | Date and time of Meeting: | 23 Sept 2010, 10am | |
| | Location: | Ofgem | |

1. Present

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| Dora Guzeleva (DG, Chair) | OFGEM |
| Rosie McGlynn | British Gas |
| Dave Crookes | EDF Energy |
| Neil Beckwith | ElectraLink Ltd |
| Jon Spence | Elexon |
| Dave Shattock | ENA (Morning only) |
| Alex Travell | Eon-UK |
| Jeremy Guard | First Utility |
| Jill Ashby | Gemserv |
| Paul Edwards | GTC |
| Richard Street | ICoSS |
| Richard Moore (pm only) | Ofcom |
| Alex Hurcombe | RWE Npower |
| Jamie Dunnett | Scottish Power |
| Mark Knight | SSE |
| Prashant Sharma | Utilita |
| Steve Nunnington | Xoserve |
| Steve O'Brian | AMO |
| Jason Stevens | ERA |
| Richard Pomroy (am only) | ENA |
| Tim Newton (PM only) | Eon |
| Nick Slocombe (PM only) | EDF Energy |
| Steve Burns (PM only) | ENA |
| Alan Claxton | ENA |
| Andy Evason (AE) | OFGEM |
| Colin Sawyer (CS) | OFGEM |
| Ted Hopcroft | OFGEM |
| Gareth Evans | OFGEM (item 7.3 only) |

2. Apologies

2.1. No apologies received

3. Agenda Item 1: Introductions, Context and Workplan

3.1. All members present introduced themselves and CS explained the agenda.

4. Agenda Item 2: Minutes of SSSG1 and actions arising

4.1. It was noted that:

- a. References to gas supply point number should be changed to Meter Point Reference Number (MPRN).

- b. The definition of registration was useful and should be included in the scoping document;
 - c. References to registration 'asset management information' was intended to mean that asset life events (eg installation date, last maintenance, etc) should not be included in DCC Registration information. This will be clarified.
- 4.2. A discussion was held about the extent to which the scope of the NEXUS development by xoserve would relate to the scope of the DCC Registration capability. It was stated that NEXUS had not looked at registration. A short feasibility study had been launched to consider how iGT's registration systems might be consolidated with xoserve's systems to provide a single 'look up' source of data for DCC. It was expected that the results would be available in 3 weeks.
- 4.3. It was commented by several present that work was undertaken by the Project Nexus Advisory Group (PNAG) earlier in the 2010 looking at the scope of any registration activities within DCC and that Ofgem should have the outputs of this work.
- 4.4. The actions were reviewed. It was concluded that all actions except 7.5 had been completed. Action 7.5 was for 'All to review availability of information relating to percentage of customers that contact a supplier within the first month of a smart meter being installed'. One set of responses had been received but others were still preparing their responses. This action was therefore left open for the next meeting and broadened to include excess call volumes over the 12 months following installation.
- 4.5. In view of the time taken to review the minutes of the previous meeting it was requested that in future comments on the minutes should be emailed to the Ofgem team not later than the day before the meeting.

5. Agenda Item 3: DCC Scope

Comments on Option 1 scope

- 5.1. The following comments were made:
- a. A 'Purpose' section should be added to explain that the option definition is to define the broad scope for high level costing and assessment purposes at this stage of the project and that agreement with the option definition for this purpose does not mean that the scope is fixed irrevocably.
 - b. 'New connections' section should be changed to 'New connections and disconnections'. A comment should be added to the text to explain that new connections and disconnections will operate broadly as at present. This is because otherwise a lot of additional detail would be needed to cover, for example, the situation where a connection is made without a meter being fitted.
 - c. Data migration. There was a discussion of whether it would be useful to identify the scope of any data migration activities in the Option 1 definition. It was noted that mandated and smart meter standard compliant meters fitted before the DCC was operational would need to migrate into the DCC. This could happen as the communications provision was migrated on a meter by meter basis, or could be undertaken by migrating meter details in bulk from whatever interim systems are in place before the DCC is fully operational. It was noted that the data cleansing activity associated with any data migration activity would have major benefits.
 - d. In the discussion a large number of issues were raised on Options 1, 2 and 3 that will need to be resolved before any systems or services are procured but which do not need to be resolved now. It was agreed that:

- All SSSG members will review the option definitions and will email the list of issues that they identify to Ofgem;
 - Ofgem will create a log to keep track of all such issues raised and will populate it with the issues identified by SSSG members and will circulate the log with the minutes of the meetings.
- e. In the non-domestic supplier definition on the last page, data collector should be data retriever.

Comments on Option 2 and 3 definitions

- 5.2. It was commented that the definitions of Options 2 and 3 had only been issued a few days before the meeting and that some members of the SSSG had not had time to review the documents fully. It was explained that the option definition papers would be re-issued as part of the draft DCC Scope (Data Services) Information Request that would be issued prior to the next meeting and therefore there would be a further opportunity to comment.
- 5.3. In the discussion of Option 2 it was noted that:
- a. There will always be sites without smart meters, including for example unmetered supplies – this was relevant to Option 2B which envisaged DCC registration capabilities being responsible for all sites.
 - b. It needs to be stated more clearly that with Option 2A all registration activities will eventually move to DCC, and the target timescale for the final transition (2018 was mentioned in discussion) needs to be stated in the option definition.
 - c. Moving registration into DCC will not solve all of the current issues with change of supplier processes.
 - a. Any DCC registration capability would need to hold details of the shipper for each premise.
 - b. Access control information needs to be identified in the DCC data section, as a peer item to registration data. This will include customer consent information.
 - c. With Option 2, DNOs and IGTs will need to be able to access DCC registration data.
 - d. It was noted that running existing and DCC processes in parallel, as envisaged with Option 2A, would require the development of processes to find out whether a meter was smart or not (to identify which registration system it fell under). The additional cost of developing and operating these processes would need to be offset against the benefits to suppliers of not having to change their systems before the DCC comes into operation.
 - e. A further variant of Option 2 was proposed, based on Option 2B but with support for legacy registration data flows into the DCC for a defined period (perhaps to 2018).
 - f. It should be assumed that suppliers keep track of whether a meter is working in PAYG or Credit mode. More generally, there should be an assumptions section in the options definition to list all assumptions made.
 - g. Some members of the SSSG did not believe that it would be possible to respond to any eventual DCC scope/data information request without having a high level data model defined for the DCC – the minimum requirement was for a conceptual data model to support DCC registration discussions.
 - h. A key issue for any DCC gas data model would be whether meter readings or derived volumes of gas would be included in messages. This is important because the conversion of meter readings into volumes of gas requires details of the meters (to determine the units corresponding to the meter readings), which

may mean that the registration data held by the DCC must include meter details.

- 5.4. In view of the importance of the data model, and the fact that many of the organisations present had undertaken some data modelling already, it was agreed that a data model meeting should be held on Tuesday 28 September. Details of this meeting have been circulated to SSSG members.
- 5.5. It was noted that the options focused primarily on whether registration should be within the DCC scope. A question was raised as to why the costs and benefits of including data collection and/or data aggregation within the scope of the DCC were not being considered in the same way. It was commented that DC/DA could in principle be included in any of Options 1, 2 and 3 but that the decision as to whether or not to include them would depend on the costs and benefits of each approach.

6. Agenda Item 4: Benefits

- 6.1. The benefits were discussed, based on the benefits estimates from the DECC Investment Appraisal (IA). The following points were raised:
 - a. Customer switching was identified as a major benefit in the DECC IA, with a value of £1,117m. CS asked whether the magnitude of these benefits would be affected by the choice of DCC option. SSSG members thought that there would be benefits from Option 1 and agreed to provide comments on the relative customer switching benefits from options 1, 2 and 3 and what assumptions these benefits are based on.
 - b. It was suggested that there may be additional benefits from an improved new connection process.
 - c. It was suggested that if the customer experience of smart meters is good, then there may be increased switching between suppliers, enabling customers to achieve benefits in terms of lower prices. An action was taken to identify whether OFCOM had any information on changes in customer switching behaviour and associated benefits from the telecommunications markets that could be used as evidence for benefits assessment for the smart meter programme.
 - d. It was suggested that there may be benefits from changes to industry governance arrangements with the move to Smart Meters and the DCC.
 - e. A question was raised regarding how the IA benefits of avoided costs associated with pedestrian meter reading of £2.69 billion were going to be delivered without reform to the Meter Inspection regime.

7. Agenda Items 4: WAN Service Levels and Requirements

Service levels

- 7.1. The objective of this session was identified as being to finalise the table of service performance metrics and to review the draft Information Request that had been circulated prior to the meeting. It was noted that the draft Information Request had been circulated to DCG members ahead of this meeting due to the 'paper day' requirements of DCG.
- 7.2. With regard to the service performance matrix the following points were discussed:
 - a. The penetration of PAYG should be increased to 30% of domestic customers

- b. The service catalogue is also being reviewed by the Smart Meter Design Group (SMDG) but for the Information Request the current list (i.e. as defined in the Prospectus) will be used.
- 7.3. A representative from Ofgem's Networks Division joined the meeting to discuss the potential requirements that smart grids might place on the smart metering WAN. He raised the following points:
- a. Demand side management actions to support intermittent generation may require responses in real-time.
 - b. Proposals being submitted to Ofgem under the Low Carbon Network Fund (LCNF) initiative may present such requirements, but no proposals requiring millisecond responses have been analysed to date. Any such requirements will be passed from the LCNF team to the SM Programme team when they arise.
 - c. It was confirmed that the ERA has not identified any requirements for millisecond responses from the smart metering WAN.
 - d. The question "how fast could your solution perform?" should be included in the Information Request to understand the capability of different technologies.

Information Request

- 7.4. The draft Information Request was reviewed and the following points were raised:
- a. Questions should be inserted to explore the implications of the DCC (or its service providers) owning the WAN comms unit and to identify the costs of the WAN module.
 - b. The document needs to reflect the option for non-domestic AMR customers to use DCC's WAN.
 - c. It would be helpful to include a diagram to explain the boundaries of DCC's WAN.
 - d. The Prospectus sets the objective as being to install smart meters in all (i.e. 100%) domestic properties. Respondents should be invited to explain what proportion of meters would be served by the respondents 'core' technology and what proportion by 'infill' technologies. Where the respondent only provides a niche 'infill' service they should be invited to explain the potential coverage, costs and constraints of their service
 - e. Where the service requires wireless access, respondents will be asked to indicate the need for, and status of, any spectrum licenses.
 - f. The objective of the costing exercise is to assist the Programme to assess the costs that DCC will incur in delivering its services – this is the basis that respondents should use in their submissions.
 - g. The scope of para 12 (d) should be extended into an open question allowing respondents to comment on the ability of their service to support water metering or other non-energy devices.
 - h. Regarding contract length, respondents should be asked to specify the minimum and optimum contract lengths as well as indicating costs for certain prescribed contract lengths.
 - i. It was noted that ENA (on behalf of DNOs) should be included in the membership of CoTE to encourage the provision of costs relating to PLC technologies.

- j. A question should be included to elicit views on whether the choice of rollout strategy would impact the efficiency of the WAN service during the rollout period.
 - k. Respondents should be asked to clarify the level of certification that the proposed service has achieved and references for where it has been deployed internationally.
 - l. There is a need to ensure that proposed services will meet the required security standards but discussion is needed with the security and privacy team to determine the best way of presenting this requirement.
- 7.5. In discussion it was noted that network operators may have need for dynamic registration data to support the management of network incidents. This requirement should be entered into a log of 'issues to be considered' during the Design Stage.

8. Actions

- 8.1. **Action 3.1:** All SSSG members to provide any information relating to the percentage of customers that contact a supplier within the first 12 months of a smart meter being installed. This was action 7.5 in the previous minutes and is ongoing.
- 8.2. **Action 3.2:** It is requested that all SSSG members should email comments on the minutes to the Ofgem team not later than the day before the next meeting.
- 8.3. **Action 3.3:** All SSSG members will review the option definitions and will email any issues that they identify to Ofgem.
- 8.4. **Action 3.4:** Ofgem will create a log to keep track of all such issues raised and will populate it with the issues identified by SSSG members and will circulate the log with the minutes of the meetings.
- 8.5. **Action 3.5:** All SSSG members will continue to review the option definitions and the wider DCC scope information request and will provide responses prior to the next meeting.
- 8.6. **Action 3.6:** SSSG members will provide comments on the relative customer switching benefits from options 1, 2 and 3 and what assumptions these benefits are based on.
- 8.7. **Action 3.7:** Ofcom agreed to identify whether there was any information changes in customer switching behaviour and associated benefits from the telecommunications markets that could be used as evidence for benefits assessment for the smart meter programme.
- 8.8. Please send responses to these actions to DCG@ofgem.gov.uk.