

DCC SSSG 1: Scope & Services Workstream

DRAFT Minutes of Meeting 6 of the SSSG	From:	Ofgem
	Date and time of Meeting:	11 November 2010
	Location:	Ofgem

1. Present

Dora Guzeleva (Chair)	OFGEM
Rosie McGlynn	British Gas
Dave Crookes	EDF Energy
Tim Newton	Eon-UK
Richard Street	ICoSS
Alex Hurcombe	RWE Npower
Jamie Dunnett	Scottish Power
Mark Knight	SSE
Alastair Manson	ERA
Richard Moore	Ofcom
Jay Adams	Utilita
Andy Evason	OFGEM
Colin Sawyer	OFGEM
Alan Thompson	OFGEM

2. Agenda Item 1: Feedback from the WAN Services Information Request

- 2.1. It was explained that this meeting would focus exclusively on providing feedback from the WAN Services Information Request (IR), therefore actions from previous meetings would not be addressed
- 2.2. The Chair reminded the group that service providers had been invited to respond to the IR on a confidential basis. The meeting was advised that 11 responses had been received and that all feedback had been anonymised.
- 2.3. With regard to performance requirements of the WAN the following points were discussed:
 - a. 4hr target to restore service – some respondents had questioned whether this target was appropriate under all conditions (e.g. remote areas). The meeting noted that this period was consistent with targets currently being achieved by MOPs. It was also noted that the target would be monitored in conjunction with the overall availability target and that, in practice, greater difficulties may be encountered in handling intermittent faults (especially in urban areas)
 - b. Roundtrip response times – most respondents claimed to be able to meet a 5 second trip time (one-way) for 'small' messages but some noted that the roundtrip time would be influenced by HAN performance. Due to 'sleep' times, the roundtrip time might be around 20secs. It was confirmed that 20 secs would be at the upper margin of acceptability for transactions where a customer is speaking with a call centre agent. The implications of HAN delays will be addressed at the HAN workshop on 19 November
 - c. Firmware upgrade times – generally respondents expressed greater difficulty in meeting the target times for 'large' messages than for 'small' ones (e.g. ad hoc reads, credit top-ups). However a variety of suggestions had been made for

- ways of reducing the size of these 'maintenance' files (e.g. security patches, firmware updates). SG1 members agreed that they should all:
- review the size and frequency of potential 'maintenance' files;
 - identify the maximum acceptable time for the distribution of such maintenance files, explaining the impact if distribution took longer;
 - submit these data to dcg@ofgem.gov.uk by 4 November
- d. Smart grid requirements – some respondents had claimed that their WAN technologies would be more suitable for meeting smart grid requirements than others. It was agreed that the Programme Team should engage again with ENA to confirm their requirements for smart grid performance.
- 2.4. Subject to further data collection regarding 'large' messages, the meeting concluded that the performance requirements set out in Scenario B could generally be met and were therefore at the appropriate level.
- 2.5. With regard to commercial issues the following points were discussed:
- a. Differential pricing – some respondents had prepared average prices per meter based on a combination of 'core' and 'infill' technologies while other approaches would require DCC to procure 'core' and 'infill' services separately. This raised the question as to whether – in pricing for its services – DCC should charge a flat rate fee or whether its charges should be differentiated according to the technology employed for that meter. This issue will be referred to SG3
 - b. Optionality – the design of the WAN comms module could result in DCC being locked in to a particular technology. There could be value in designing the WAN comms module to support more than one technology thereby giving DCC competitive leverage over service providers. The cost of building in multiple technologies would need to be considered against the cost of a visit to change the comms module
 - c. Contract length – it was recognised that contract duration will have a major influence over unit price, especially where there is a requirement for the service provider to deploy new network assets
 - d. Rollout – where deployment of new network assets is required, the rollout strategy may have to recognise that smart meter installation should follow network installation. This would make it difficult for suppliers to respond to scattered customer demand in advance of network deployment (although rollout could proceed on the basis that smart meters could be commissioned into the network some time after installation in the home)
- 2.6. An issue to be logged and analysed further concerned the transfer of comms contracts from suppliers to DCC. This could arise either from arrangements set up to handle interim inter-operability or from early-movers. It was stressed that such transfers would only apply to meters that comply with the Technical Specification. The concern was that once DCC has let its WAN contracts then DCC will have no negotiating leverage over service providers holding 'interim' contracts but no DCC contract. As a consequence such service providers may be able to exert market power during negotiations relating to the transfer of 'interim' contracts. This issue will be raised at DCG.

3. Actions

- 3.1. **Action 6.1:** implications of HAN delays to be considered at the HAN workshop on 19 November.

- 3.2. **Action 6.2 c:** SG1 members to review details of 'maintenance' files and submit findings to dcq@ofgem.gov.uk.
- 3.3. **Action 6.3:** Programme Team to re-engage with ENA regarding the benefits arising from smart grid functions.
- 3.4. **Action 6.4:** Programme Team to refer the issue of differential pricing to SG3.
- 3.5. **Action 6.5:** Programme Team to raise the issue of transferring 'interim' comms contracts to DCC at DCG.