Minutes

DCG Expert Group Meeting 6 Minutes

Minutes of the sixth meeting of the DCG held on Tuesday 21 December 2010.	From Date and time of Meeting Location	DCG Expert Group 21 December 2010 10am BIS, London

1. Present

Name	Company
Aaron Forshaw	Electralink
Alan Claxton (Dial-in)	ENA
Ashley Pocock	EDF Energy
Colin Sawyer	Ofgem
David Speake (Dial-in)	AIGT
David Thorne	Gemserv
Dora Guzeleva (Chair)	Ofgem
Fiona Cottam (Dial-in)	Xoserve
Gary Cottrell	SBGI
Iain Matthews (Dial-in)	Scottish Power Networks
Jason Brogden	Engage-consulting (ERA)
Jenny Boothe	Ofgem
Mark Knight	SSE
Martin Pollock	ESTA
Richard Moore	Ofcom
Richard Street	ICoSS (Corona Energy)
Robert McNamara	Intellect UK
Sajna Talukdar	Ofgem
Steve James	Eon Uk
Steve Briggs	British Gas
Tom Chevalier (Dial-in)	AMO

2. Review of DCG Meeting 5 Minutes

2.1.   The Expert Group requested the following key risks to be included in the previous meeting minutes:

(i)   Data Quality

(ii)   Time to agree industry changes

(iii)   New entrants in early phases will have to develop redundant systems with short lifetime.

2.2.   Section 3.4 to reflect the following: Incremental functional requirements need to be subject to robust E2E Cost Benefit Analysis (including Supplier costs) and all benefits (including supplier and customer benefits).

2.3.   Section 5.9 to be amended to the following: There will be an element of start-up costs allocated in the future (Long Run Marginal Cost principle) to:

(i)   New users/ signatories of the core service

(ii)   Non-core added services for existing users

(iii)   Value-added services to new users (e.g. telecare)

2.4.   The group requested that section 5.10 be made clearer.

3. Outputs of the DCG Subgroups

3.1.   There was no feedback on the outputs of the subgroups.

4. New Terms of Reference of the DCG Subgroups

Subgroup 1

4.1.   A point was raised that both Gemserv and Elexon need to be added to the list.

4.2.   The group advised the Programme team that the ToR needs to cover both installation and new connections.

4.3.   DCG SG1 also needs to cover the full end-to-end processes taking account of existing business processes.

Subgroup 2

4.4.   A member requested an explicit statement noting that as the existing "dumb meter" arrangements will be covered by ROMA discussions, it will not be covered in the DCG SG2 meetings. Ofgem will note any issues that the subgroup raise relating to ROMA and feed them to the ROMA discussions.

Subgroup 3

4.5.   A concern was raised that the timescales proposed are too ambitious. Ofgem will amend the text to 'progress towards' rather than indication completion dates.

4.6.   ACTION: The Subgroups to produce Product Descriptions for the next Expert Group meeting.

4.7.   A re-planning exercise is required whereby the right sequence of events is needed to then feed into the high level definition.

4.8.   A question was asked if it is worth delivering Boiler Plate provisions for DCC's SLAs, as we now have them for the SEC. A member suggested the group should look at their preferred level of performance.

Work plan – DCG & Subgroups

4.9.   The group commented that typos in the draft timeline need to be amended. A member suggested including the SMDG-DCG joint meetings and the DCG/SMDG SG1 working groups joint meetings, and STEG (security) meetings.

4.10.   The Expert Group was asked when it is appropriate for it to meet again. A member suggested that there is not much more they can do in terms of planning until DECC give them further information.

4.11.   The Expert Group requested a placeholder meeting post documentation publication for the group to meet to review the outputs of the subgroups, to maintain the momentum.

It was noted that irrespective of changes in organisation, the DCG-SMDG meetings are important checkpoints and need to continue. It was noted that the date on which documents will be published is still to be decided but there is a desire to continue with the work that the group has been doing so far.

4.12. ACTION: The Programme team to update the plan to add the below (avoiding any SMDG meetings):

> **(i)** **DCG Expert Group to meet once a month, and subgroups to meet twice a month.**

> **(ii)** **DCG SG3 will meet on Mondays, SG2 will meet on Wednesdays, SG1 will meet on Thursdays. The DCG Expert group will meet on the first available Wednesday.**

4.13. ACTION: The Programme team to amend the ToR for SG3, to take outputs from SMDG SG2 into account.

5. Update from SMD meeting *(Smart Meter Design & Delivery Project Lead)*

5.1.   Ofgem presented the Expert Group with the outputs of the SMDG work.

5.2.   The last SMDG meeting looked at the PID for the development of the technical specifications.

5.3.   A recommendation was made that the programme needs to be more open and transparent, involving the CoTE, using the web as best as practicable, making sure the industry members receive information as soon as possible.

5.4.   Subgroups are starting to define Use Cases and touch points with interoperability.

5.5.   The SMDG project fed back that achieving the 6 months timeframe continues to look good.

5.6.   Members from Security Technical Experts Group (STEG) would step into the DCG and the DCG subgroup meetings going forward.

5.7.   The DCG Expert Group needs to accept that security will be part of the design as Security will need to be considered in all components of the E2E solution.

5.8.   It was suggested that the real challenge will be around non-domestic sector. The SMDG is looking at a Code of Connection so that suppliers have a checklist to confirm that they have all the security requirements covered.

6. Prepayment issues - Presentation and discussion

6.1.   A workshop was held which was very productive.

6.2.   The Programme team also did a short presentation on the Consumer Advisory Group (CAG) and have come back with some points from them as well.

6.3.   Overall objectives of PPM were:

> (i)   Ensure that a Smart PPM Customer enjoys at least the same level of service protection as traditional PPM customers

> (ii)   To provide options to suppliers to offer innovation

     (iii)   To protect against fraud and minimise the volume of misdirected payments

     (iv)   To achieve seamless transition from foundation stage to the DCC world

6.4.   It was pointed out that in the current world, a customer can top up a meter even if the meter is not supplied by the supplier the customer believes they are with, and that there is a lot of concern to preserve the current customer experience. In the Smart Metering PPM world, as a minimum the customer should be provided a phone number to the correct supplier and the supplier should provide an emergency credit until the issue is rectified.

6.5.   Even if there is an error on the registration system the currently registered supplier should provide the metering credit.

6.6.   Parties will need to be given flexibility to deal with the problem, but there will be an obligation on suppliers to get the situation sorted. The system needs to be designed in such a way that it states who the correct incumbent supplier is. The programme should not prescribe the supplier/agent process and will leave the process to the suppliers.

6.7.   A commercial point was raised whether suppliers will be able to make exclusive arrangements with payment agents.

6.8.   A member pointed out that there needs to be careful definition on what a Prepayment product is. In terms of 'safe and reasonable', a member pointed out that the customer protection rules ought to apply across the piece. When a meter is going onto prepayment, the supplier must check that the meter is in a location where the customer can gain reasonable access to it.

6.9.   With respect to PPM, after CoS in the Foundation Stage, the issue is how to pass across the details of top-up and how to get it validated. In this model, the installing supplier is acting as an agent. The issue here is that the suppliers would need real time interface.

7. Commercial Interoperability

7.1.   Under the commercial interoperability option discussed by the subgroup the installing supplier operates the meter following CoS as if it is part of its meters. A group member pointed out that the option here is similar to the principles in DCG SG2 Option 5. The key difference is that this option needs to provide real-time interface for pre-payment process.

7.2.   A concern around timescales was raised. It was suggested that if this work needs to be designed for the enduring world, then that's fine, but designing only for foundation is too complex and potentially extensive.

7.3.   It was pointed out that single fuel supply o the same premise during the Foundation stage is an area for the group to keep an eye on.

8. DCC establishment timescales – presented to ICG

8.1.   Options for DCC establishment were presented to the Expert Group with the objective to accelerate the timeline. Ofgem sought suggestions on what the optimal process and timing is for preparing DCC service for Go-live.

8.2.   Options included running parallel processes or modifying existing licences to provide interim DCC role. What is proposed in the prospectus (sequential) still looks like the best

option if the programme had the time but responses to the Prospectus suggests that the timescale should be shortened.

8.3.   The Expert Group suggested the pros and cons of the parallel options (Vs modifying existing licences).

8.4.   An advantage of the parallel procurement was that if licences were modified to provide interim DCC services the cost and risk would likely be picked up by the suppliers and consumers (via indemnity) whereas if DECC does the procurement, then Government would be responsible.

8.5.   A concern was raised that with the licence modification there is a risk of legal challenges due to foreclosing the market.

8.6.   A point was raised that it is difficult to draft a licence to get the outcome you expect, so if DECC amends someone's existing licence and gets the existing licensee to run procurement, then it will create circumstances that would be detrimental to the future solution.

8.7.   The group was asked to consider how to involve the industry in the process to make sure the process delivers the right outcomes.

9. Any Other Business

Feedback on the meeting:

9.1.   A group member requested that when Ofgem plans next year's work with DECC, the programme considers if it's worth combining the DCG and SMDG group. This was seen as a good suggestion since the programme is looking at completing the technical specifications within short timeframes.

10.   Date of next meeting

10.1.   First available Wednesday in February 2011.