

DCG Meeting 4 Minutes

Minutes of the fourth meeting of the DCG held on Wednesday 3 November 2010.

From Ofgem
Date and time of Meeting 3 November 2010 10am
Location BIS, London

1. Present

Name	Company
Alan Claxton	ENA
Andrew Beasley	Utilita
Ashley Pocock	EDF Energy
Chris Harris	RWE Npower
Chris Rowell	Elexon
Colin Sawyer	Ofgem
Dora Guzeleva (Chair)	Ofgem
Paul Brodrick	SBGI
Genevieve Bishop	Ofgem
Jamie Dunnett	Scottish Power
Jason Brogden	Engage-consulting (ERA)
Jill Ashby	Gemserv
Nick Salter	xoserve
Martin Pollock	ESTA
Mattias Bjornfors	Ofgem
Paul Broderick	Elexon
Paul Clark	SSE
Richard Street	ICoSS
Robert McNamara	Intellect
Rob Thornes	DECC
Rosemary McGlynn	Centrica
Steve James	Eon-UK
Steve Briggs	Centrica
Ben Nicaudie	ElectraLink Ltd
Tom Chevalier	AMO
Zoe McCloud	Consumer Focus

2. Review of DCG Meeting 3 Minutes

2.1. Comments on the draft minutes were received and discussed. The DCG agreed to amend the minutes to include the possibility of future work in advance of EU developments. A revised version of the minutes will be circulated and published. Actions were covered during the relevant sections of this meeting.

2.2. No further comments were received by the group.

3. Review of Subgroup 1 activities/ deliverables

Update on DCC Scope Information Request responses

3.1. The DCG received an update on DCC Scope Information Request responses.

- 3.2. The DCG was pleased with the preliminary analysis of the responses received to date. The group discussed the option preferences that had been identified in the responses. However, Ofgem confirmed it would not focus on the option preferences in the report; rather it will focus on costing and evidence.
- 3.3. The DCG discussed the cost benefit analysis and its value in relative terms rather than absolute costs. It was agreed that relativities need further investigation.
- 3.4. The DCG considered that the DCC should be the only body who will be able to access data from the meter.
- 3.5. The issue of timescales was raised by service providers in the responses which indicate that a phased in approach is preferred. Benefits to the consumer experience were also noted. There was a discussion around finding the right split between the timeframes for development and testing. Timeframes need to be balanced to obtain optimum efficiency and reduce risk.
- 3.6. The DCG considered that the DCC design needs to accommodate the building of a variety of systems, and therefore a milestone needs to be embedded somewhere in the design process. A fixed baseline that everyone can work to was suggested to assist addressing this issue.
- 3.7. The DCG was advised that Ofgem would develop policy papers by the end of November which will include analysis of the options that will inform decision making. The DCG asked for assurance that when broad views have been expressed by the group, they will be represented to the decision makers. Ofgem assured the group that all views expressed will be represented.
- 3.8. Ofgem advised that if a decision is made by government that is different to what has been discussed in the DCG; Ofgem will come back to the DCG to provide the rationale for the decision where possible.

Update on WAN Information Request responses

- 3.9. The team provided an update on the WAN Information Request responses to date.
- 3.10. Patterns and coverage of the technology was raised as a concern for vulnerable customers. It was asked whether 100% across GB was required when it may be determined further down the track that it is not economical. It was noted that this issue had not been left off the agenda; rather the data was still being collected.
- 3.11. Concerns over equity were also raised. It was asked if there were options that could be fairer. It was noted that more work was needed in this area.
- 3.12. The need for further clarification of the user/supplier requirements was discussed.

Discussion on Prepayment

- 3.13. The DCG considered in principle that once the issue of standards for the generation of a unique transaction was resolved the remaining issues for prepayment were looking less of an obstacle.
- 3.14. The DCG discussed various issues around prepayment including need for an alternative arrangement for consumers to 'top up' in the event the communication network goes down. The DCG also considered the practical arrangements to 'top up' e.g.; would the consumer need an access number, identify card, would top up be available online or would the consumer enter a code directly into the meter? The question was raised whether the group wanted to consider building in a time for the design in the implementation plan.

Action: It was agreed to refer the issue of the IHD functionality for prepayment to the SMDG for further discussion.

Action: Feedback on the prepayment paper is due to Ofgem by COB Friday 5th November.

4. Review of Subgroup 3 activities/ deliverables

Review of DCC incentive mechanisms and cost recovery paper

4.1. The DCG received a presentation on cost recovery and incentivisation.

4.2. The group discussed possible penalties for non performance as well as benefits sharing for strong performance that could be built into the licence. It was noted that the regulation will need to balance the commercial competitive benefits.

Update on Smart Energy Code (SEC) Options

4.3. The groups received an update on the work to date on the smart energy code.

4.4. The group discussed the following three main issues for the SEC:

1. What do we need in the SEC?
2. Why do we need it?
3. When do we need it?

4.5. The group was advised that once the DCC is established there is potential for functional and technical specifications to be transferred to the SEC.

4.6. The groups raised the idea of the SEC governance structure to come into effect by November 2011. It was suggested that it may be unlikely that the government will be ready to do this so soon.

4.7. The concept of one part, one vote was raised, and it was noted constituencies need to be carefully designed.

5. DCC Transitional issues

5.1. It was noted that measures were necessary to facilitate transition to the DCC 'Go-Live'. Any interim arrangement will have communication contracts that may be in a position of leveraging market power. Ofgem agreed to circulate the paper on transition issues to the DCG for comment.

6. Briefing on security subgroup establishment

6.1. The DCG received a verbal overview of the approach to security and the objectives of the security subgroup.

6.2. The security expert group supports both the design groups to identify risks and embed the security principles into the design, and is currently undertaking a risk assessment of the end to end system and landscape.

6.3. The issues of secure governance were raised. Once the system is live and evolving the governance structure needs to allow identifying emerging risks and address them when they occur.

6.4. How the design could be affected by technical security was discussed. Different types of data will require different security measures, e.g.; consumer configuration. The DCG considered appropriate controls needs to be put in place to protect the data.

6.5. A list of the identified risks and the terms of reference will be circulated to the DCG.

7. AOB

7.1. It was suggested that any papers that need to be read before the meeting could be circulated further in advance, and made clear if they are for noting or for action.

8. Date of next meeting

8.1. Wednesday 17 November 2010.