

DCG SG2 Meeting 4 Minutes

Minutes of the fourth meeting of
DCG Subgroup 2.

From Ofgem
Date and time of Meeting 10am, 29 September 2010
Location Ofgem

29 September 2010

1. Present

Dora Guzeleva (Chair)	Ofgem
Rosie McGlynn	British Gas
Anna Fielding	Consumer Focus
Chris Spence	EDF Energy
Jason Stevens	Engage-consulting
Steve James	Eon-UK
Jeremy Guard	First Utility
Lisa Harris	Shell
Alastair Bates	AMO
Liz Kenny	RWE Npower
Jamie Dunnett	Scottish Power
Mark Knight	SSE
Andrew Beasley	Utilita
Sajna Talukdar	Ofgem

2. Draft Minutes and Action Log

2.1. The group reviewed the draft minutes and further amendments to be made were noted.

3. Discussion

3.1. It was noted that it is not in suppliers' interest to create an interim solution that impedes the roll out.

3.2. It was also noted that the group is not going to "exclude" any of the interim interoperability options under consideration but it is going to assess each one of them to the extent practicable.

3.3. Action: The ERA will bring all of the papers and the analysis undertaken by the group so far in a single paper and circulate this back to the group for its consideration. The combined paper will also include a set of questions regarding the costs/benefits of each option to be provided to the CoTE by the Programme.

3.4. A view was expressed that the procurement process issues regarding Options 1 to 3 were not insurmountable. However, there were some issues with the interim central solution service provider obtaining a competitive advantage. The risk of this can be mitigated by the suppliers retaining the IPR, and people and systems, associated with this project and making these available to the DCC. This need to be done at cost so the reasonable transfer value of these assets need to be very carefully examined.

3.5. The following discussions also emerged at the subgroup meeting:

- 3.6. The subgroup raised a need to articulate the risk on DCC being commercially disadvantaged by having to take on contracts from existing communications service providers, especially in the event these providers were not successful in obtaining contracts for the enduring WAN solution, and to investigate the potential mitigating actions, such as requirements to novate contracts to the DCC at the same or reasonable terms and conditions.
- 3.7. There was a long discussion on mitigating competition risk in interim procurement and how to keep the interim provider & DCC clearly independent. It was mentioned that the cleanest arrangements for independence would be for any provider of Interim Services not to act as the licensed DCC, but options were investigated.
- 3.8. Action: The ERA undertook to provide a paper on the issues around the potential for a conflict of interest and their mitigation.
- 3.9. Action: Everybody to provide feedback on their preferred implementation/governance option for each of the interim interoperability options.
- 3.10. The discussion on security from the programme team was welcomed and a follow-up requested. It was agreed that Centralised key management is cheaper and simpler than distributed key management. A key concern was raised around the need to consider the cost of encryption within the meters and generally the cost of the security infrastructure.

4. Assessment of proposed Interim Options

- 4.1. Options continue to be assessed against the key principles. An action was taken from the ERA to consolidate the 3 documents developed thus far and add the following sections:
 - (i) Procurement and Implementation
 - (ii) Interim and DCC Roles and Implications (from the flipchart diagram with the roles and who should not do what)
 - (iii) Planning and Implementation Timescales (from the flipchart diagram for timescales)
- 4.2. It was suggested that it would be useful to capture the service impact on existing data flows that was done previously.
- 4.3. The ERA was requested to also draft questions to be provided to following three groups of stakeholders:
 - (i) Suppliers
 - (ii) Potential Service Providers
 - (iii) Other Industry Participants (e.g. central bodies)
- 4.4. Action: All suppliers to provide to Ofgem as soon as practicable, answers to the following questions against each of Options 1, 3 (with variations within Option 3 of a single Unified Head End system and a service including Multiple Head End systems), 5 and 6:
 - (i) What is the estimated development cost to you of each of the Options?

- (ii) What is the estimated operational cost per annum to you of each of the Options?
- (iii) What are the relative levels of benefits between each of the Options?
- (iv) Review the timescales set out in the workshop evaluation document and provide your feedback and comments?

4.5. Although the suppliers should be able to start to get some ball-park figures, it was recognised that turning this around for next week would be difficult.

5. Issues Log

5.1. 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				

6. 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;		DG		

		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.				
	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 the preferred governance/implementation options		All 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/Joe Hancock		