



Ofgem Consultation on Central Switching Governance

DSC CoMC Update 23 July 2018

Consultation Key Proposals

- CSS delivery and operation requires changes to regulatory governance
 - A new Retail Energy Code (REC)
 - A REC governance framework
 - RECCo and Board; REC Panel; REC Manager
- The REC defines
 - Market rules for gas and electricity Supplier switching
 - Obligations on DCC, Suppliers and Networks (GDNs, iGTs, DNOs and iDNOs)
- The REC will be implemented in stages in the run up to CSS go live
- New Licence obligation to co-operate in delivery of significant market change

What does it mean for Xoserve?

- The REC creates two new roles for the party that is appointed by the Gas Transporters as the CDSP
 - Gas Retail Data Agent
 - Gas Market Intelligence Agent
- Xoserve is not a REC Party
 - The GDNs have an obligation to ensure that Xoserve complies with REC requirements
- Licensees are required to use reasonable endeavours to identify dependencies and secure support from third parties
 - The CDSP governance model enables this where support is required from Xoserve

Our Response – as CDSP

- REC Panel
 - Support key design principles
 - REC Parties' representation in decision making processes
 - Independent members to represent and protect consumer interests
 - Xoserve not a REC Party – attend as observer, similar to UNC Panel arrangement
- Customer risks
 - GTs – Co-operative governance model constrains ability to discharge obligation to ensure that CDSP delivers REC requirements
 - Shippers – Not party to REC, so lack visibility of REC driven change to CDSP Services
- We are providing detailed comments on REC Schedules
- It's not a change delivery consultation, but we may say something about the risk of industry change congestion and the complexity of Switching Programme deliverability

Our Response – Other Considerations

- Support **customer centric** ambitions for REC governance framework
- Encourage **market simplification**
 - REC replaces two existing Codes, but could create greater cross-Code complexity
 - Risk of complex Performance Assurance Framework – CSS Service Provider performance managed both within REC PAF and contract with DCC
- Promote introduction of **Open Data Framework** to facilitate controlled access to data available through Enquiry Services
- Share thinking on **two tier service desk model**
 - Point to industry best practice and need for high quality user experience
 - Design may need to flex dependent on CSS Service Provider capabilities

REC Schedules

- Change Management
- Registration
- Data Management
- Address Management
- Enquiry

We are mindful of the need for effective change governance of these Schedules until such time as the formal REC governance framework is in place

What customer views would you like us to consider in our response?

Change Management Schedule

- Details change process to REC and System Change
- REC Change - As CDSP is not Party to REC we are largely neutral to this
 - We would welcome the opportunity to participate in governance groups
 - We have some observations regarding timings – e.g. responses to Impact Assessment
 - Change process will require integration / interaction with UNC and DSC processes
- System Change
 - As this process develops integration with the DSC Change processes will be necessary – as currently for SPAA Change, but we expect scale of impact to be greater

Registration Schedule

- Provides the key functional elements of the core REC processes
 - E.g. Registration – Switching / Initial Registration, Change of Agent Notifications
- Some detailed observations
 - Concern around the effective date of some transactions – e.g. deregistration and Change of Shipper could be retrospective, but expect that these are omission from design rather than intent
 - Schedule will require detailed review when the ‘Technical Specification’ is available

Data Management Schedule

- Considers two distinct elements:
 - Management of Switching Domain Data (SDD)
 - Market Participants
 - Regulatory / Commercial Associations
 - Other 'Non Registration' Flows – e.g. RMP Update via SupplyMeterPointSync
- Requires CDSP to provide SDD for gas
- In principle we support this approach as:
 - Commercial and Regulatory associations will originate within the UNC (e.g. Shipper authorisation of Supplier or Network application of Shipper Sanction)
 - Reduces risk of anomalies in gas data flows
- Requires CDSP to work closely with RECCo and Electricity SDD provider

Address Management Schedule

- Considers the management of address, and the quality of address data
- We recognise that this will be further elaborated as design is developed
- We have some concerns at the lack of definition at this stage
- There is an Ofgem expectation that arrangements would be shaped by the address management service provider rather than by market participants

Enquiry Schedule

- Consultation document describes three options:
 - Option 1: All current governance from MRA, SPAA and UNC moves to the REC
 - Option 2: Only the governance of the switching related DES items should be transferred to the REC, otherwise retaining governance for data in the UNC (DSC).
 - Option 3: Governance for DES items remains in the UNC and only the governance of ECOES items moves to the REC. The REC would set out standards for service and provide a single source of reference for users requiring ECOES/DES access. Disputes could require REC / UNC resolution.
- Our assessment is that Option 2 should be set aside due to complexity of service change
- ***Do customers have a preference?***