

Moving to reliable next-day switching

Presentation to UNC Panel

17 December 2015

ofgem

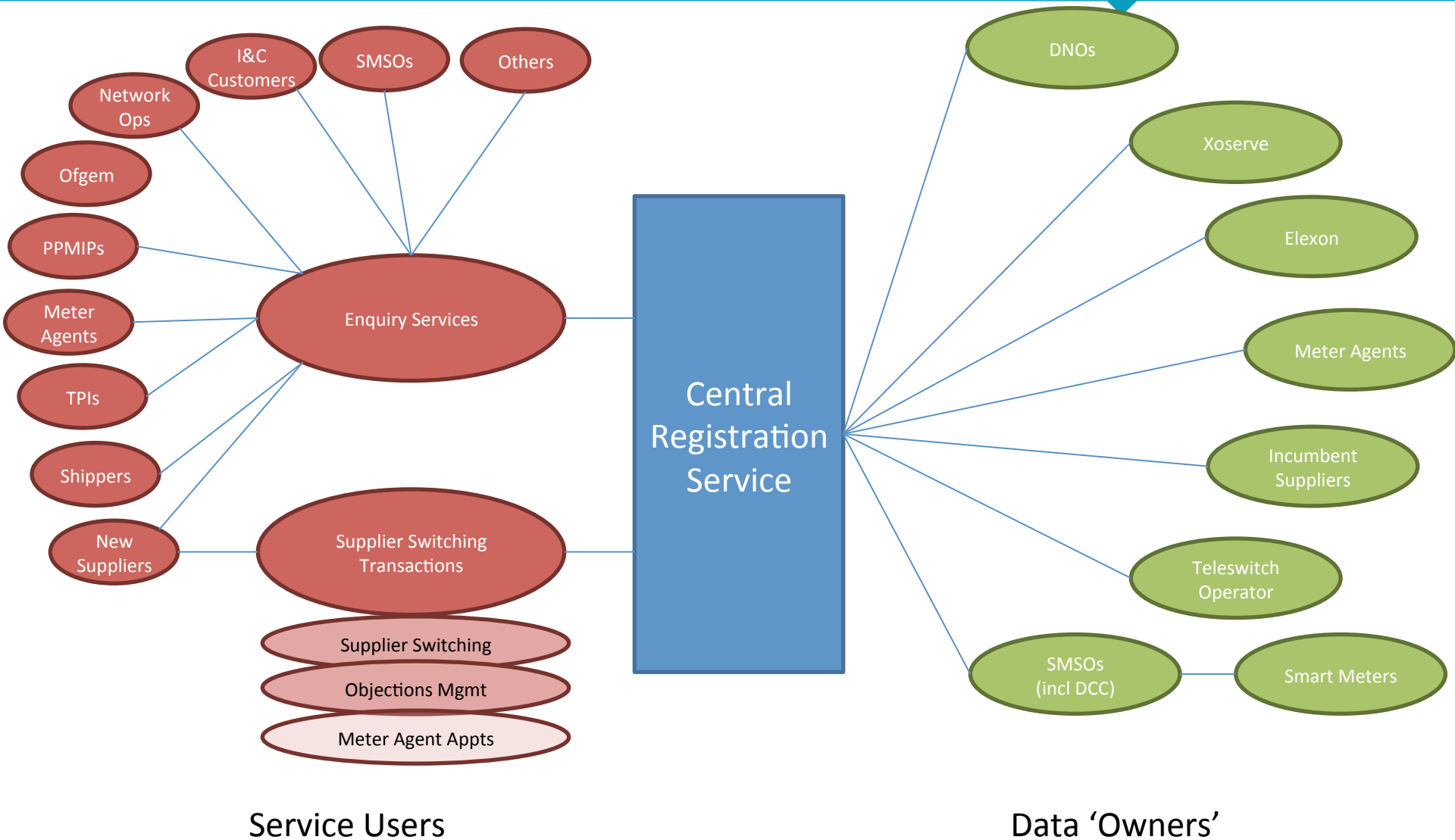
We have launched our significant code review to introduce reliable, next-day switching

- We want to introduce reliable next-day switching by 2019
- This will be delivered on a new centralised registration service (CRS) - managed by the DCC
- The new switching rules will be set out in the SEC and be governed by the SEC Panel – interactions with other codes and industry governance arrangements
- Success will require resources, support and leadership from industry parties at different stages of the programme
- We have called for expressions of interest from industry parties who would like to be involved in the programme

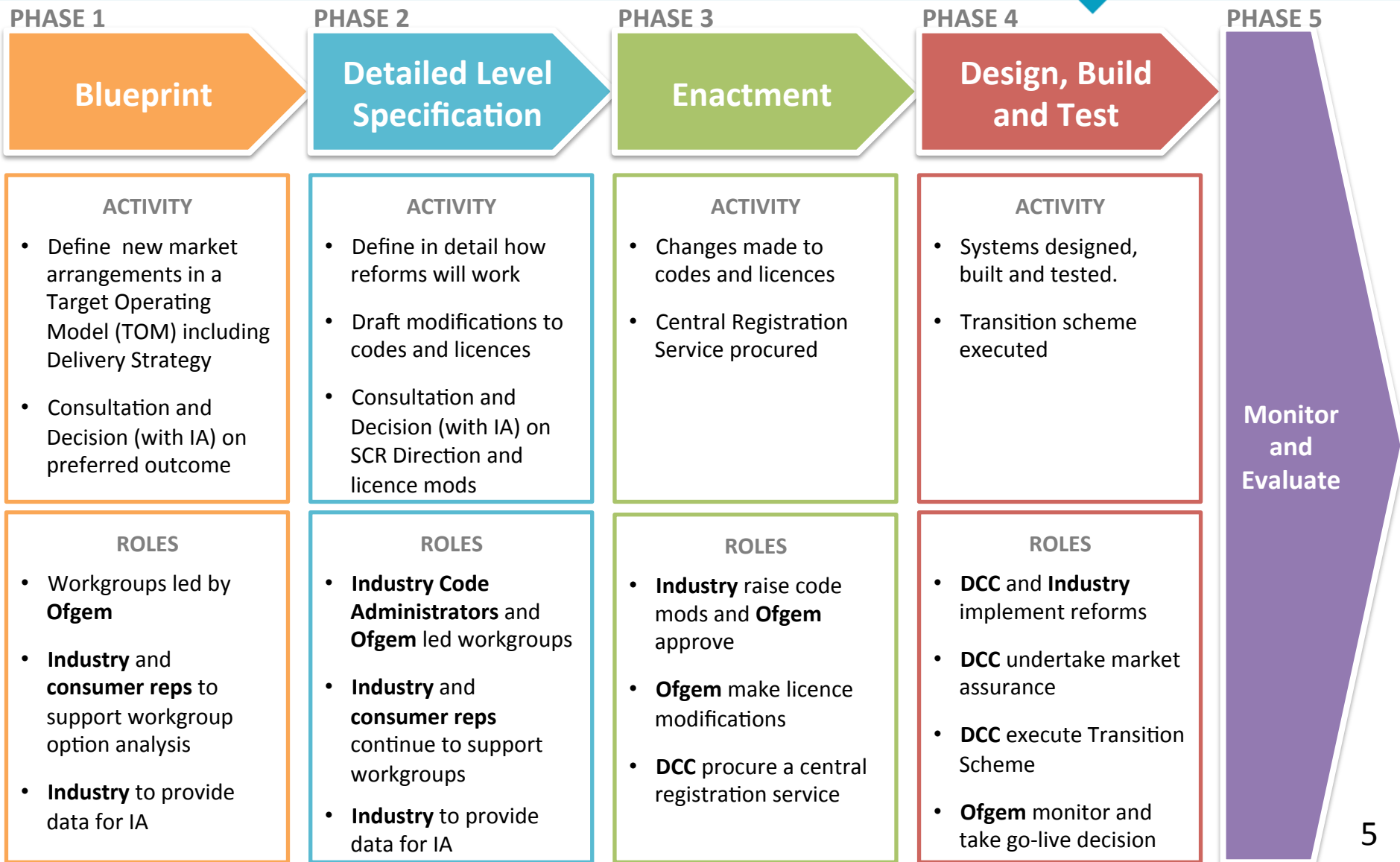
We have published a Target Operating Model to set out how the new arrangements will work

- Act as a guide and reference document through the lifetime of the programme
- Reviewed at expert groups over the summer and consulted upon – an updated version was published on 17 November
- Scope:
 - Domestic and non-domestic
 - Traditional, smart, prepayment and AMR meters
 - All parts of switching process from customer signing up with new supplier to receiving closing bill from old supplier
 - Changes to the regulatory framework to facilitate a new central registration service, and decommissioning existing network-run registration service
 - Reviewing any remaining network licence obligations linked to registration
 - Harmonising switching arrangements between gas and electricity

A 'logical' view of the CRS



Programme phases



PHASE 1

Blueprint

ACTIVITY

- Define new market arrangements in a Target Operating Model (TOM) including Delivery Strategy
- Consultation and Decision (with IA) on preferred outcome

ROLES

- Workgroups led by **Ofgem**
- **Industry and consumer reps** to support workgroup option analysis
- **Industry** to provide data for IA

External design advisory group (EDAG)

- Scrutinise and challenge proposals coming out of the workgroups
- Advise and make recommendations to Ofgem's Design Authority

Business Process Design WG

- Design the CRS
- How the switching process will work in practice
- Data that should be held on CRS and who should maintain/ access it
- Support for settlement, charging, connections etc

Commercial WG

- Framework for DCC procuring and operating the CRS
- Licence changes for the DCC
- DCC's price control
- Proposals for how CRS will be procured and funded, and how current network arrangements will be amended

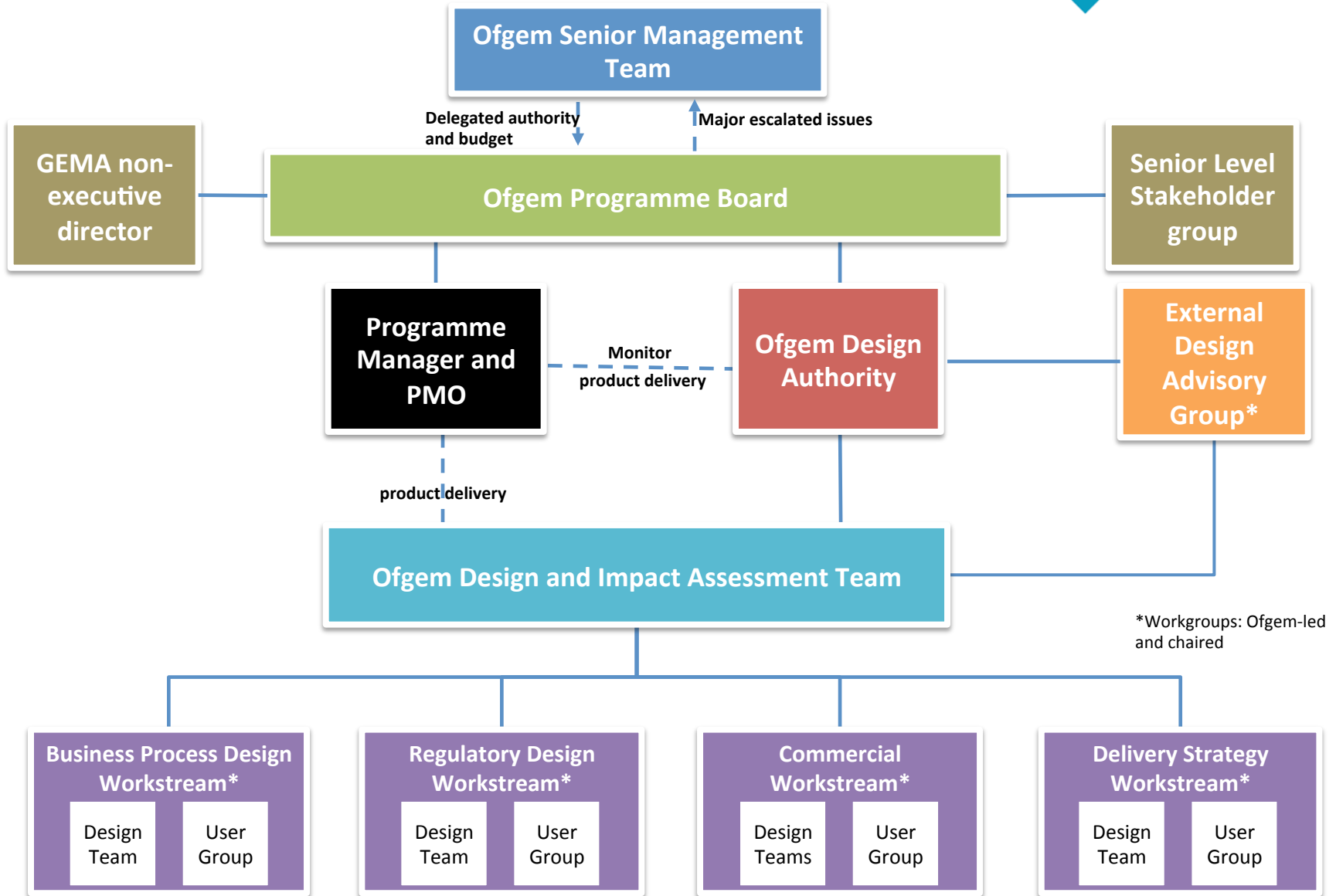
Regulatory Design WG

- How governance for the new arrangements will operate
- Licence changes for parties to sign up to the SEC
- Changes to the SEC and other industry codes
- Charging principles for the new CRS

Delivery Strategy WG

- Transition, testing and implementation
- How licence and code changes will be choreographed, data migrated etc
- CRS and Market readiness testing
- Transition, data migration and implementation technique

Programme governance



We would welcome your thoughts on the programme and how you would like to be kept up to date

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