

Project Nexus

Project Nexus Steering Group

1st September 2015

***Please note:** The information contained within this reporting framework is intended to be supported by verbal update during the PNSG and therefore should be considered in this context when being read in isolation.*

Contents

1. *Key Messages and Recommendations*

2. *Update on Requirements & Actions*

Appendices

This document has been prepared only for Ofgem and solely for the purpose and on the terms agreed with Ofgem in our statement of work and under the framework agreement dated **11th August 2011**. We accept no liability (including for negligence) to anyone else in connection with our work or this document.

© 2015 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

1. Key Messages and Recommendations

RAASP Delivery:

- Xoserve have confirmed that they are able to commence the start of detailed design on the **1st September 2015**, with some increased risk from additional parallelism arising and SME resource being freed-up from UAT.
- Industry engagement plan has been published by Xoserve and market participant support is required for the design workshops.
- Upfront involvement of participants in design will mitigate the risk of the solution and end-to-end processes not being fit for purpose.
- Draft decoupling impact assessment submitted to PNSG for review (**see separate update on slide 9**).

Market Trials:

- Market Trials Working Group ('MTWG') activity is progressing to plan.
- Subject to wording revisions, completeness check and further industry feedback, the MTWG approved the draft Level 2 market trials approach document (**see separate update**).
- Revised L2 market trials entry and exist criteria have been incorporated into the PwC Assurance Hub, which will be rolled out imminently to gain visibility of market participant readiness for L2 market trials.

- The MTWG highlighted a number of granular issues that, though not directly linked to trials, require resolution:
 1. Uncertainty around the specification of non-functional requirements, specifically sizing and volumetrics. (i.e. will the infrastructure and systems deal with day 1 volumes)?
 2. Consistent feedback that Xoserve's response to queries, questions and information requests is too slow and this is impacting both the effectiveness of forums such as the MTWG and the market's readiness.

Recommendations:

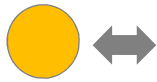
#	Recommendation	Responsible	Relative effort to implement	Impact on risk profile
1	Revisit non-functional requirements and provide assurance that sizing / volumetrics has been adequately considered.	Xoserve	Low	Medium

Current Key Risks and Issues:

- A specific risk around the capacity and availability of Xoserve resources has been added.
- Otherwise, key risks and issues remain unchanged.

1.2 Overall Status

01 September 2015



Overall RAG: the overall programme status is amber. Whilst progress is being made towards mitigating key risks, timescales remain tight and confidence is not yet sufficient in these areas.

Current Milestones	RAG	Key metrics	Additional Commentary	Key achievements in prior period	Key activities in next period	SG Decisions/ Actions required
1 Sept L2 MT Approach Approved		<ul style="list-style-type: none"> ✓ L2 MT draft approach document issued for review ✓ Principles of L2 MT Approach document approved – this meeting • Finalised document released to market <p>PNSG asked to approve the L2 approach principles (separate update)</p>	<ul style="list-style-type: none"> • Final feedback and QA still outstanding on L2 document. • Completeness check on incorporation of all material feedback. 	<ul style="list-style-type: none"> • MTWG publish final draft L2 Market Trials Approach document for feedback. • L2 MT principles taken to PNSG for approval. • Draft RAASP decoupling impact assessment published for PNSG review and approval. 		
1 Oct Industry / Xoserve testing complete for L2 MT		<p>Industry testing for L2 - Part of L2 MT Entry Readiness Assessment.</p> <p>Xoserve File Format testing:</p> <p>46 additional changes have been approved during the July UK Link Committee and have been incorporated into the statistics below.</p> <p>As of 28 Aug, 136 successfully completed tests vs. 156 planned to date (202 total planned).</p>	<ul style="list-style-type: none"> • Xoserve UAT progress: 1,062 target tests completed against total 1,077 planned. Of this, 1,054 tests passed. • 13 P1 and 36 P2 defects • 0 from 98 end to end tests completed, 6 started (ca. 1.5 weeks behind) 	<ul style="list-style-type: none"> • Xoserve to commence RAASP detailed design, with progress reporting to PNSG. • PwC to roll-out L2 entry criteria via PwC Assurance Hub. 		
1 Sept RAASP design activity re-starts		<ul style="list-style-type: none"> ✓ Market engagement plan published ✓ Xoserve confirm resource to deliver this plan <p>PNSG asked to approve passing this milestone</p>	<ul style="list-style-type: none"> • Assumes industry can support plan • Xoserve to report UAT progress and impact on SME availability 			<ul style="list-style-type: none"> • Approve entry into the RAASP detailed design phase. • Approve the principles of the Level 2 market trials approach. • Approve changes to P/AM terms of reference (deliverables).
1 Dec TBC Detailed Design Completed		<ul style="list-style-type: none"> • Design artefacts complete and subject to QA • Validity of build phase plan confirmed 				

Milestone RAG Key



Complete



On Track



Risk to individual milestone(s)



Risk to go-live

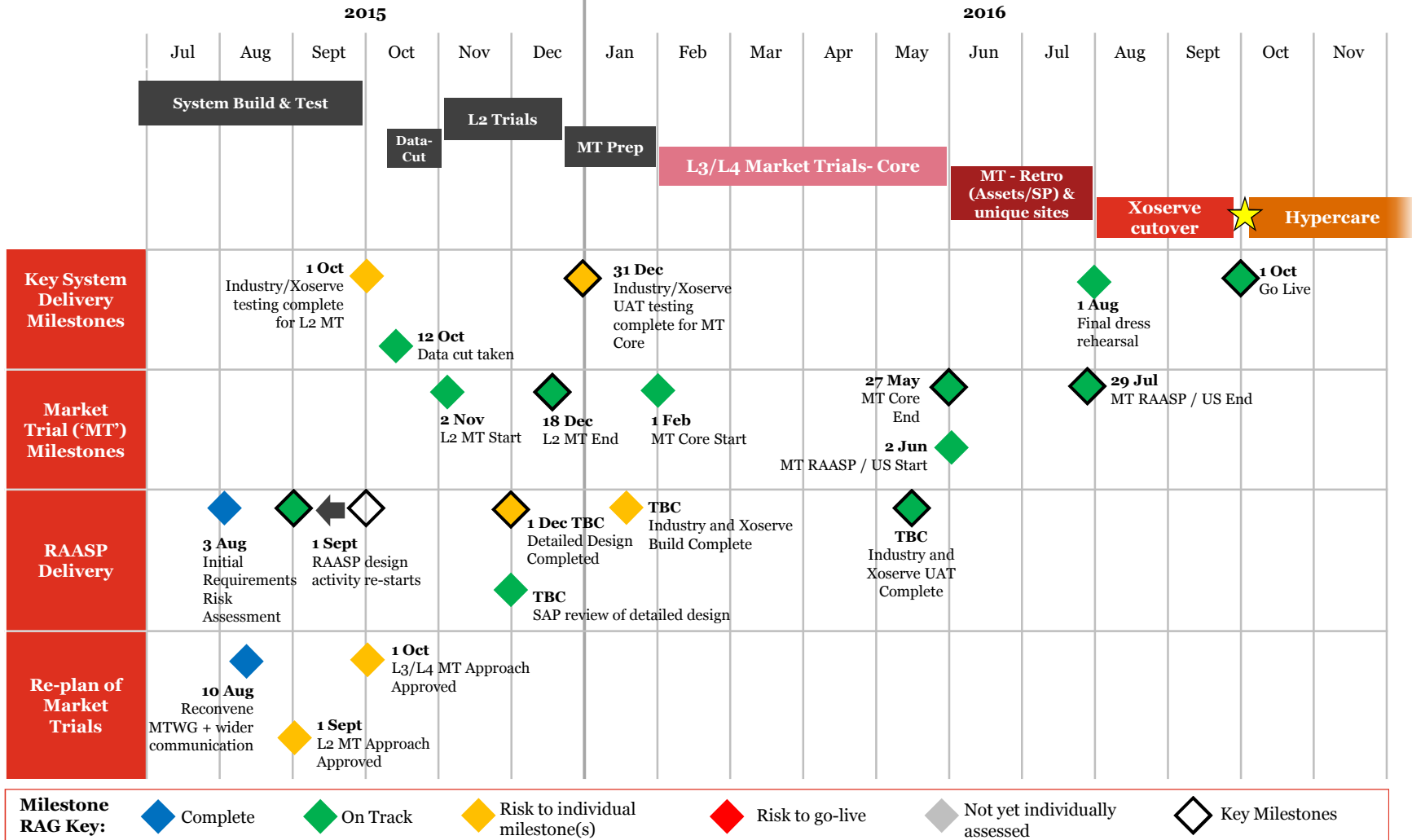


Not yet assessed

1.3 Industry Plan on a Page – Milestone Status at a Glance

01 September 2015

‘Industry plan on a page’, with a RAG status of key milestones



1.4 Web Portal Update: L2 Exit/Entry Criteria

The PwC Assurance Hub has been updated with L2 market trials entry and exit criteria.



Supporting evidence Upload New

Overall criteria rating

Please enter the current overall percentage rating against the criteria here. The rating thresholds are shown to the right.

Current Overall Rating

- Less than 100% complete with no credible mitigation plan
- Less than 100% complete with a credible mitigation plan
- All criteria evidenced as complete.

20%

Save

© PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom), which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

[Privacy Statement](#) | [Legal Disclaimer](#)

v1.0



Welcome Page Contact Us Communications Change Password Log Out

Project Nexus

Currently logged in as: James Kleiner-Mann (Wingas)

+ Bookmarks

Wingas - Market trial entry criteria Level 2

1.1 Completion of preparatory testing

Market trial entry criteria Level 2 - 1.1 Completion of preparatory testing

It is critical to ensure that market trials focus on proving the integrated solution and end-to-end market processes. As a result, each organisation should be able to demonstrate they have completed their build and, as a minimum, carried out internal testing of the market critical processes and the key data files that are generated / input. Good practice suggests that at least three test phases should be carried out prior to market trial entry; system testing, SIT and user acceptance testing ('UAT').

However, it has been agreed in the PNSG that for Level 2 (file format) testing, the completion of UAT is not essential. We would expect to see evidence that organisations have conducted a level of testing that gives them comfort that the file format functionality is working as intended, which is likely to include testing up to SIT as a minimum.

We will be flexible and pragmatic in considering the evidence available to confirm that an appropriate level of testing has been performed.

1.1.1

Assessment metric

- Organisations are able to generate files directly from their systems for testing. Should this not be possible, the PA/M will impact assess each case to agree entry in to Level 2 market trials.

Current Metric Rating

- Less than 100% complete.
- Less than 100% complete credible mitigation plan.
- 100% complete.

Supporting commentary

Supporting evidence Upload New

1.1.2

Assessment metric

- System solutions complete and tested (SIT) to the extent required to generate

Current Metric Rating

- Less than 100%

2. Update on requirements and actions from 18 August 2015 PNSG

2.1 Actions to confirm as closed

INFORMATION AND ACTION

Reference	Requirement	Update
0704	PwC to start on impact assessments (including potential mitigation) for decoupling (from Core) RAASP, should this later be required.	Draft document shared with Project Nexus Steering Group on 28/08/15. (Refer to slide 9 for key findings)
0801	PwC to confirm the Stage Gate criteria to measure entry into RAASP design 01 September 2015.	Included within this pack (Section 1)
0803	PwC to consider the risks that are reported and to agree with Xoserve appropriate wording for an Xoserve resourcing risk.	Included within this pack (Section 1)
0805	PwC to draft revisions to the 'Deliverables: PA/M' section of the PNSG ToR to be presented for discussion during PNSG.	Document shared with Project Nexus Steering Group on 28/08/15 for discussion today

2.2 Requirement: Impact Assessment for decoupling RAASP Update

INFORMATION AND ACTION

Requirement

PwC to start on impact assessments (including potential mitigation) for decoupling (from Core) RAASP/US*, should this later be required.

** The RAASP / US Risk Assessment subsequently determined that US is low risk and should be removed from the impact assessment*

Key Findings

- There was limited benefit or cost data available, so the impacts were built on some key assumptions and data largely provided by Ofgem and Xoserve.
- We encourage parties to come forward with improved data that may challenge or confirm the conclusions we have reached.
- ‘Everything together’ remains the preferred option (Option 1).
- Working around a delay of RAASP functionality (Option 2) is estimated to cost **£5m to £12m** for a **6 months delay**.
- Our analysis of Option 3 (complete delay of RAASP process and functionality, with no workaround) suggests that a ‘lost benefit’ of between **£6m to £12m** over 12 months.

PNSG Action

1. Review and feedback prior to finalisation and approval

2.3 Requirement: Market Trials Working Group Update

INFORMATION AND ACTION

PNSG Requirement

Update

Update on Market Trials Working Group (MTWG)

- Final draft MTWG L2 Approach document issued to PNSG and published for market review. Key principles are agreed, with no material challenge expected:
 1. A baselined file format catalogue subject to formal change control. Only ‘**must have**’ changes considered during market trials;
 2. A formal release management process is defined.
 3. Strong recognition that the governance of change must be balanced, fast and effective (**see page 13**)
 4. Three tiers of file formats defined (**market critical, organisation critical and other**).
 5. The market should be able to demonstrate **successful testing of all market critical files** and a sufficient proportion of each market sector (50%) should be able to demonstrate successful testing of organisational critical files for the market to exit L2;
 6. All organisations, including Xoserve, should be testing with **core system generated files**;
 7. The support provided by Xoserve has been enhanced and there is a proposal for a pre-market trials ‘pipe clean’ to flush out early defects; and
 8. The entry and exit criteria have been supplemented in order to ensure additional clarity is provide and to ensure a **risk based recommendation can be made on market readiness to exit** versus individual organisation readiness.

2.3 Requirement: Market Trials Working Group Update

INFORMATION AND ACTION

PNSG Requirement

**Update
continued**

Update on Market Trials Working Group (MTWG)

- Further refinement, formatting clean-up and completeness check (PwC) required to ensure L2 approach document captures the MTWG feedback.
- More clarity required on non-functional requirements and the level of market wide non-functional testing that is required – e.g. will the IX work from day 1?
- 5 IGT files require change and work is ongoing to establish when these will be delivered by Xoserve and the subsequent impact on iGT file format trials.
- First pass completed of the enhancement areas for the L3 / L4 approach document

PNSG Action

1. Approve the principles of the L2 market trials approach

2.3 Requirement: Governance Interactions Update

INFORMATION

Requirement




PwC to draft paper regarding the governance across the various Nexus related committees and working groups. This should determine if gaps or overlap exists.

Update

- Draft document issued to previous PNSG meeting – is there further feedback?
- Feedback received suggests that the UK Link Committee should not be circumvented in file format governance, but the pace of decision making should be enhanced with broader consideration of the impacts on the whole market.
- For example, avoiding the position that a change at Xoserve that places market participant delivery plans at risk.
- There are two schools of thought on how this should be achieved – P/AM to give verbal update.
- Single ‘version of the truth’ reporting of the changes and their position in the process is urgently required to build confidence.

Appendices

A1. Current Top Industry Risks

ID	Description	Date Raised	Issue Score	Milestone impacted	Mitigation actions	Target date	Owner	RAG	Assurance Activity
Risk #1	<ul style="list-style-type: none"> A number of outstanding questions remain over the Market Trials scope and approach. Inherent uncertainty will remain around the MT timeline until underlying industry assumptions can be aligned. 	1 Jul 15	<p>12</p> <p>Likelihood - 3 Impact - 4</p>	<ul style="list-style-type: none"> L2 Start Date L3/L4 Start date MT End 	<ul style="list-style-type: none"> Further development of the L2 and L3/L4 MT approach, with finalisation by 1 September (L2) and 1 October (L3 and L4). Timescales for approving L2 and L3/4 MT approach documents as per plan remain tight and will continue to be monitored and any delays escalated as required 	Monitor progress at 1 Sept PNSG	Xoserve /PwC		<ul style="list-style-type: none"> PwC coordination of market trials development.
Risk #2	<ul style="list-style-type: none"> Potential for industry-wide resource constraints due to competing industry changes (eg. Smart DCC) that may impact timely delivery of Nexus Industry plan. 	1 Jul 15	<p>12</p> <p>Likelihood - 3 Impact - 4</p>	<ul style="list-style-type: none"> Key system delivery and Market Trials Milestones 	<ul style="list-style-type: none"> All industry parties to continue to pro-actively monitor resource profile for Nexus and escalate through PNSG representatives as required. 	Monitor progress at 1 Sept PNSG	All		<ul style="list-style-type: none"> P/AM monitoring of plan delivery
Risk #3	<ul style="list-style-type: none"> Smart DCC is planned to go-live at the beginning of August 2016 and a two month window is required following Smart DCC go-live before Nexus go-live. Therefore, any delay in Smart DCC could impact Nexus Go-live date. 	3 Aug	<p>15</p> <p>Likelihood - 3 Impact - 5</p>	<ul style="list-style-type: none"> Go-live 	<ul style="list-style-type: none"> Track Smart DCC delivery progress through Change Overview Board 	Monitor progress at 1 Sept PNSG	PwC		<ul style="list-style-type: none"> P/AM to continue to monitor Smart DCC delivery progress

Risk Score = Impact (1 to 5) multiplied by probability (1 to 5) to a maximum score of 25. Only risks with a score of **10 or above** will be reported to the Steering Group. See Appendix 2 for full definition.

Mitigating Action RAG Key:



Mitigating action complete. Risk reduced to an acceptable level




Mitigating action identified and underway



Mitigating action not yet identified and underway

A1. Current Top Industry Risks

ID	Description	Date Raised	Issue Score	Milestone impacted	Mitigation actions	Target date	Owner	RAG	Assurance Activity
Risk #4	<ul style="list-style-type: none"> As a specific extension of Risk #2, any significant constraint in the availability of Xoserve SME resource could undermine the current delivery plan. For example, SMEs may be called back from RAASP design to UAT if testing progress is below plan. In addition, participants are highlighting slow turn around of questions, actions and information requests by Xoserve. 	1 Jul 15	<p>12</p> <p>Likelihood - 3 Impact - 4</p>	<ul style="list-style-type: none"> Key system delivery and Market Trials Milestones 	<ul style="list-style-type: none"> Monitoring of Xoserve UAT progress and RAASP design progress by PNSG. Monitor progress of market trial execution and defects. Xoserve improvement of feedback loops and processes. 	Monitor progress at 1 Sept PNSG	Xoserve /PwC		<ul style="list-style-type: none"> Baringa assurance of Xoserve plan P/AM monitoring of market plan delivery

Risk Score = Impact (1 to 5) multiplied by probability (1 to 5) to a maximum score of 25. Only risks with a score of **10 or above** will be reported to the Steering Group. See Appendix 2 for full definition.

Mitigating Action RAG Key:



Mitigating action complete. Risk reduced to an acceptable level




Mitigating action identified and underway



Mitigating action not yet identified and underway

A1. Current Top Industry Issues

ID	Description	Date Raised	Risk Score	Milestone impacted	Resolution Actions	Target date	Owner	RAG	Assurance Activity
Issue #1	<ul style="list-style-type: none"> The delivery of RAASP is uncertain. Work is required to prove that the design, build and test is feasible in the time available. 	1 Jul 15	<p>16</p> <p>Likelihood - 4 Impact - 4</p>	<ul style="list-style-type: none"> RAASP detailed design starts Detailed design complete SAP review of design Go-live 	<ul style="list-style-type: none"> PwC, Baringa and SAP review of the quality of the existing, high-level RAASP/US design – Action complete, see slide 4 PwC to develop impact assessment for decoupling RAASP delivery – see update on slide 8. 	Reassess at 1 Sept PNSG	PwC		<ul style="list-style-type: none"> Initial review of high-level design (PwC/Baringa). Complete Review of detailed design (SAP).

Issue Score = Impact (1 to 5) multiplied by proximity (1 to 5) to a maximum score of 25. Only issues with a score of **10 or above** will be reported to the Steering Group. See Appendix 2 for full definition.

Resolution RAG Key:



Resolution complete. Risk reduced to an acceptable level



Resolution identified and underway



Resolution not yet identified and underway

A2. RAG and risk/issue Score Definitions

Overall and Key Milestone RAG Definitions

- **Risk to go-live** - One or more milestones are at risk of delay (**greater than 5 days**) or not achieving the required quality that will likely cause a delay to the go-live or increase the risk of quality issues during go-live. Mitigating actions have not yet been identified or no mitigating action is possible at the current time.
- **Risk to individual milestone(s)**– One or more milestones are at risk of delay (**greater than 5 days**) or not achieving the required quality but it is unlikely, at this stage, to result in a delay to go-live or increase the risk of quality issues during go-live. Mitigating actions have been identified and are underway.
- **On Track** – Milestone(s) are on track to time and quality and no significant risks have been identified that may impact the go-live date or pose a significant risk to the industry at go-live.

Risk/Issue Score Definition

Likelihood / Proximity	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
	Impact				

Likelihood / Proximity

- 5 Almost certain /Now
- 4 Likely /1 week
- 3 Moderate /2 weeks
- 2 Unlikely /1 month
- 1 Rare /1 month+

Impact

- 5 Severe
 - 4 Major
 - 3 Significant
 - 2 Minor
 - 1 Insignificant
- ↑
↓
- Delay to go-live and / or quality issues that compromise the integrity of the critical market processes, such as change of ownership.
- Go-live date not impacted and/or minor defects that can be easily fixed.