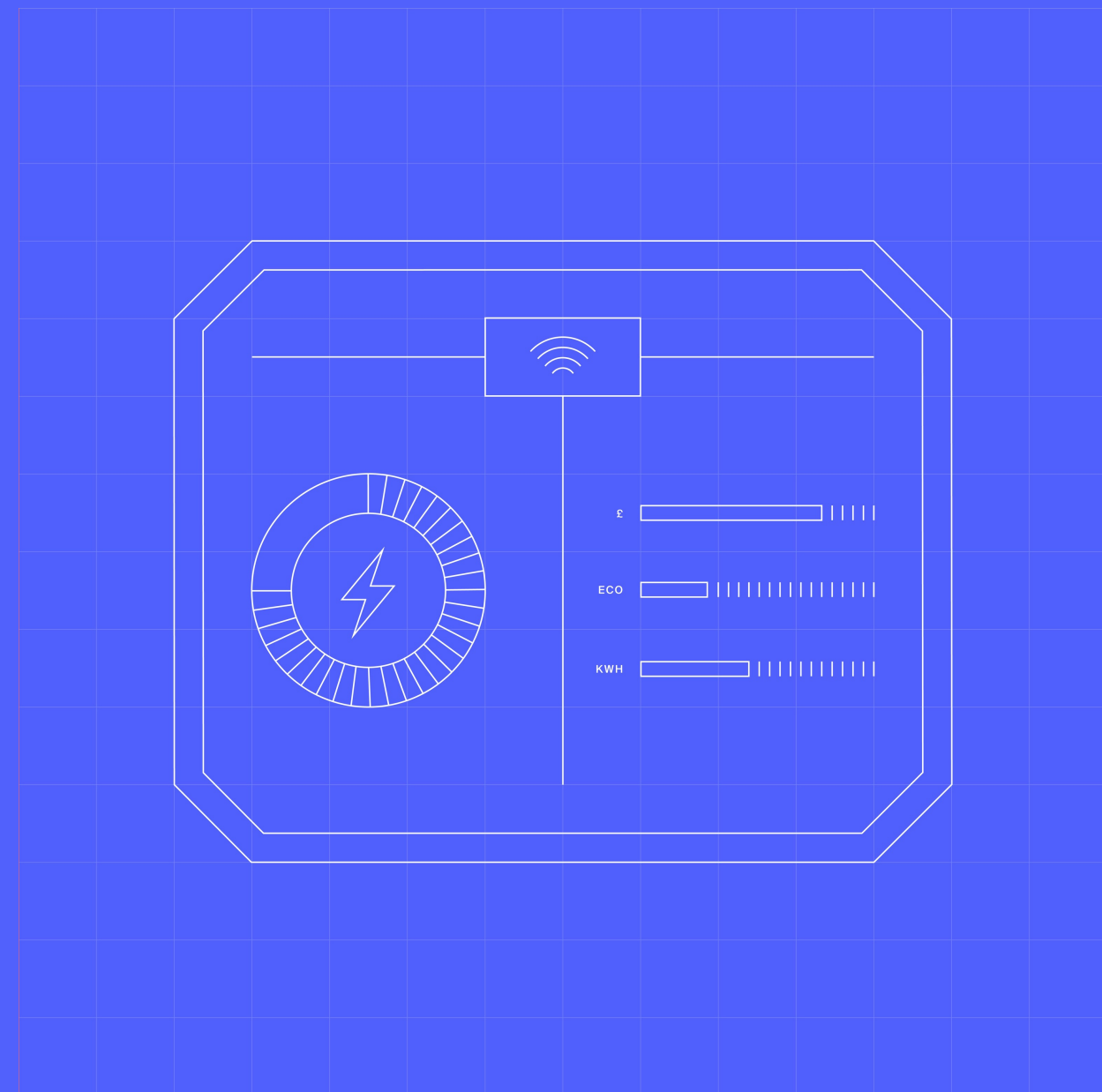


Impact Assessment Report & Recommendations

DECISION: CR017 & CR018: Review the outputs of Impact Assessment and make a decision on next steps



Executive summary



| | |
|----------|--|
| Option A | CR017 - Operational Choreography is amended |
| Option B | CR017 - A full cost benefit impact assessment is conducted |
| Option C | CR018 - Expectation of automated processes being run |

Objective of this session:

DAG to review the outputs of CR017 & CR018 Impact Assessment and make a decision.

Summary:

Of the options presented in CR017 and CR018, the Programme recommends that CR018 is implemented as best placed to provide granularity and differentiation for distinct processes. The change ensures the out of hours support for processes that merit additional cost.

N.B. For reporting purposes, the Programme has amended the option titles presented in CR017 and CR018 as follows:

- Option A – Previously *“Preferred Option”*
- Option B – Previously *“Alternative Option”*
- Option C – Previously *CR018*

Implementation of either Option A or B of would require a change to the Programme’s Target Operating Model, which would require an Ofgem decision, leading to delays to design and delivery timescales.

Headlines:

- Responses obtained via Impact Assessment are diverse and there is **not a clear consensus observed by constituency, noting 4 respondents support both the implementation of Option A and counterfactual Option C.** Large Supplier and I&C respondents were generally supportive of all three options.
- The impacts of the options vary across Constituency, so it is important that all points of view are considered in making this decision and communicated to Programme Participants
- **16 respondents supported Option A and highlighted the following considerations:**
 - DNOs and Software Provider respondents were unanimous in support towards Option A, stating low impacts on costs and resource requirements.
- **Option B was the most unpopular across respondents with 15 opposing it due to the following considerations:**
 - A full impact assessment would likely have significant cost and resource implications as well as put MHHS delivery milestones at risk of delay.
 - Several respondents highlighted there is no existing cost-recovery mechanism for the additional costs, nor for any programme costs incurred.
- **9 respondents supported Option C and highlighted the following considerations:**
 - There is detrimental impact to all Programme participants in not having certainty of 7-day operation, leading to erroneous and incorrect data being passed around the industry.
 - Programme Participants may be in breach of GDPR obligations in respect of domestic smart meter data.

Feedback from iDNO Constituency

- **iDNO’s initial opposition to CR018 was predicated on several issues that required the Programme’s consideration.**
- 8 respondents (7 iDNOs and 1 Software Provider) stated that if Option A is not acceptable to all parties, then they would support an amended version of Option C.

CR017 & CR018 – Submitted Impact Assessments

| Programme Parties | Participants' Impact Assessment of CR017 and CR018 | | | | | | | | | | | |
|-------------------|--|----------|----------|------------|----------|-----------|----------|------------|----------|-----------|----------|------------|
| | Option A | | | | Option B | | | | Option C | | | |
| | Yes | No | Abstain | NR | Yes | No | Abstain | NR | Yes | No | Abstain | NR |
| Large Suppliers | 2 | 1 | - | 2 | 1 | 2 | - | 2 | 2 | - | 1 | 2 |
| Medium Suppliers | - | 1 | - | 6 | 1 | - | - | 6 | 1 | - | - | 6 |
| Small Suppliers | - | - | - | 33 | - | - | - | 33 | - | - | - | 33 |
| I&C | 2 | 1 | - | 38 | 2 | - | 1 | 38 | 2 | 1 | - | 38 |
| DNOs | 3 | - | - | 4 | - | 3 | - | 4 | 1 | 3 | - | 3 |
| iDNOs | 7 | - | - | 6 | 1 | 6 | - | 6 | - | 6 | 1 | 6 |
| Ind. Agents | - | - | - | 48 | - | - | - | 48 | - | - | - | 48 |
| Supplier Agents | - | 2 | - | 4 | 1 | 1 | - | 4 | 2 | - | - | 4 |
| S/W Providers | 1 | - | - | 24 | - | 1 | - | 24 | - | 1 | - | 24 |
| REC Code Manager | - | 1 | - | - | - | 1 | - | - | - | 1 | - | - |
| National Grid | 1 | - | - | - | - | 1 | - | - | - | - | - | - |
| Consumer | - | - | - | 1 | - | - | - | 1 | - | - | - | 1 |
| Elexon (Helix) | - | - | - | 1 | - | - | - | 1 | - | - | - | 1 |
| DCC | - | - | - | 1 | - | - | - | 1 | - | - | - | 1 |
| SRO / IM & LDP | - | - | 1 | - | - | - | 1 | - | 1 | - | - | - |
| IPA | - | - | - | 1 | - | - | - | 1 | - | - | - | 1 |
| Total | 16 | 6 | 1 | 169 | 6 | 15 | 2 | 169 | 9 | 12 | 2 | 169 |

Rationale for being marked down as 'abstained'

- Several respondents did not fully complete the Impact Assessments, with a response to recommendation crucially omitted.
- Several respondents declined to formally respond due to time constraints or lack of information available to form an opinion.
- Several respondents stated CR017 and/or CR018 had no impact on their activities and therefore did not formally respond.

Note: Several respondents only provided their first-choice option

Further Points for Consideration

We are bound to make a decision on the basis of the Change Requests that has been raised, but there are opportunities to improve Option C if CR018 is approved.

- **Conditions as specified by LDSO community are:**

- Existing ERDS/SMRS operating hours/arrangements would remain in place, unchanged, for working days. as currently defined in the REC and BSC respectively.
- Execution of automated processes over the 'out-of-hours' period, but with no technical support i.e. in the case of any failure/incident, during the out-of-hours operation of these processes, resolution activity would not be expected to commence until the start of the next working day
- ERDS/SMRS will not be required to receive or process retrospective notification of Change of Supply/Service Provider Appointment activation
- SLA's would only formally apply during ERDS/SMRS operating hours/arrangements/working days as currently defined in the REC and BSC respectively.
- Applies from Settlement go-live (Dec-26)
- CSS Gate Closure operates 7 days a week 6pm-9pm (securedActive / securedInactive messages processed)
- No other processing will take place during Gate Closure or Main batch processes
- IF005/IF025 processed working days only
- All other interfaces processed working days only

CR017 & 18 Impacts – Views on the proposed approach (Page 1)

| Programme Parties | Range of respondents' views on benefits and concerns – Option A | Range of respondents' views on benefits and concerns – Option B | Range of respondents' views on benefits and concerns – Option C |
|-------------------------|--|--|---|
| Large Suppliers | <ul style="list-style-type: none"> + Reduces cost, meets programme timelines and has minimal possible impact on suppliers. – Potential delay to sharing critical information on a timely basis which could impact the accuracy of registration data being used for settlement. – Risk identified - if emergency change of metering service is carried out, can this be done outside of operating hours? | <ul style="list-style-type: none"> – An Impact Assessment would take time and put strain on parties. | <ul style="list-style-type: none"> + No adverse impacts on key areas such as consumers, costs and schedule. – However, both did note that a full impact assessment would be needed to better inform the recommendation, especially regarding the potential impact to suppliers regarding processing over an extended period such as a bank holiday |
| Medium Suppliers | <ul style="list-style-type: none"> – The Programme should not settle for the simple change in Option A and should look ahead to future initiatives that will inevitably require a smarter and more dynamic energy system. | <ul style="list-style-type: none"> + Registration services should expand operating hours in line with the overall aim to create a more dynamic system, reducing bottlenecks and encouraging future-proofing as other initiatives/CRs come through. | <ul style="list-style-type: none"> + Registration services should expand their operating hours in line with the overall aim to create a more dynamic system, reducing bottlenecks and encouraging future-proofing as other initiatives/CRs come through whose intended benefits may be partially limited by LDSO/agent operating hour restrictions. |
| Small Suppliers | <ul style="list-style-type: none"> ▪ Did not respond | | |
| I&C | <ul style="list-style-type: none"> – Two I&C suppliers agreed with this option, and one disagreed. – The disagreeing supplier raised concerns about the risk of impact on out of hours support without carrying out a full impact assessment. | <ul style="list-style-type: none"> + Two agreed with this option of completing an impact assessment, and the other abstained. | <ul style="list-style-type: none"> + Agreed with Impact Assessment but provided no additional commentary |
| DNOs | <ul style="list-style-type: none"> + All responding DNOs agreed with this option, due to lower cost, risk and impact. + All current systems are designed to remain supported as per current REC/BSC guidelines. Hence this option will have minimal/no impact on current operational processes and SLAs in place for MPRS. | <ul style="list-style-type: none"> – All responding DNOs disagreed with this option. – Key callouts were the cost implications of a full impact assessment, as well as the risk of causing delays to MHHS delivery milestones. – Extending current ERDS/SMRS operating hours beyond REC and BSC requirements, would have significant impact to systems, costs and potentially also Programme delivery timescales. | <ul style="list-style-type: none"> – Unanimously agreed that this CR did not contain enough clarity to enable parties to provide a comprehensive assessment of the potential impacts to them. – They were in favour of Option A and noted that any solution which differs from this, should not be agreed without a full cost benefit assessment being provided and reviewed in line with the principles of the Programme change process. |

CR017 & 18 Impacts – Views on the proposed approach (Page 2)

| Programme Parties | Range of respondents' views on benefits and concerns – Option A | Range of respondents' views on benefits and concerns – Option B | Range of respondents' views on benefits and concerns – Option C |
|-------------------------|---|---|--|
| iDNOs | <ul style="list-style-type: none"> + All seven responding iDNOs agreed with this option. + This option provides clarity and aligns with the current operating hours that fully supported the existing arrangements and the Faster Switching Programme. | <ul style="list-style-type: none"> – All but one respondents disagreed with this option. – Additional time required to deliver this change could delay programme delivery. – Significant cost and resource requirements are expected. No cost benefit analysis has been carried out. – There is no cost-recovery mechanism in place for these additional costs. | <ul style="list-style-type: none"> – There is a lack of sufficient clarity and so must assume that there would be considerable impacts for LDSOs which will be detrimental across the main factors listed in the CR – If Option A cannot be proven to be acceptable to all parties then consideration should be given into adopting the alternative option as put forward by the LDSO community. |
| Agents | <ul style="list-style-type: none"> – Risk of impacting the ability to appoint service providers in an emergency, as well as the possibility of the introduction of a backlog of message responses. – There is a detrimental impact to all programme participants in not having certainty of 7-day operation. – The change does not reflect the concerns raised in the autumn design work-off meetings. | <ul style="list-style-type: none"> + Completing an Impact Assessment would provide clarity for all parties regarding operating hours, as well as ensuring no detriment to consumers. | |
| S/W Providers | <ul style="list-style-type: none"> + MPRS has been designed to Support the Preferred Option, no costs or impact on MHHS milestones are required to support this approach. | <ul style="list-style-type: none"> – Changes are required to MPRS to support 24/7 Operation. The costs and delays will impact consumers, likely eroding the MHHS benefits for Consumers. – It is anticipated that to provide support of MPRS 24/7 the cost would be in the region of £4 million (four million) per annum. | <ul style="list-style-type: none"> – If Option A cannot be proven to be acceptable to all parties then consideration should be given into adopting the alternative option as put forward by the LDSO community. |
| REC Code Manager | <ul style="list-style-type: none"> – RECCo do not believe there is sufficient clarity for a decision to be made on this CR at this time. They suggest the Proposer should provide additional detail regarding automation and restrictions on out-of-hours processing in their business solution, and a more appropriate range of solution options should be considered, and impact assessed. | | |

CR017 & 18 Impacts – Views on the proposed approach (Page 3)

| Programme Parties | Range of respondents' views on benefits and concerns – Option A | Range of respondents' views on benefits and concerns – Option B | Range of respondents' views on benefits and concerns – Option C |
|---------------------------|---|--|--|
| National Grid | • Did not respond | | |
| Consumer | • Did not respond | | |
| Elexon (Helix) | • Did not respond | | |
| DCC | + The DCC do not expect to experience any immediate impacts from the preferred solution. | | + The DCC do not expect to experience any immediate impacts from CR018. |
| SRO / IM & LDP | – Implementing Option A or Option B would require a change to the TOM, which would require an Ofgem decision, which could lead to delays to the overall design and MHHS programme delivery. | | + The Programme's response to Option C will be further informed by the feedback obtained via the full Impact Assessment process. |
| IPA | + The IPA is comfortable that the change requests are not expected to have an impact on our activities and has no specific objections to the change. | | |