RETAIL ENERGY CODE

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# R0092 – DCC SERVICE LEVEL AGREEMENTS FOR THE SWITCHING INCENTIVE REGIME

## FINAL MEETING MINUTES

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| MEETING | **R0092_05** |
| DATE | **12 January 2024, 11:00** |
| LOCATION | **Microsoft Teams** |

| Attendee | Representing | Initials |
|---|---|---|
| Tina Pearce | Code Manager (Chair) | TP |
| Elise Handy | Code Manager (Lead Analyst) | EH |
| Anton Moden | Code Manager | AM |
| Caroline Milner | Code Manager | CM |
| Samantha Briggs | Code Manager | SB |
| Bradley Baker | Data Communications Company (Proposer) | BB |
| Cordelia Grey | Data Communications Company (Proposer) | CG |
| Ekta Sareen | Data Communications Company (Proposer) | ES |
| Gary Stuart | Data Communications Company (Proposer) | GS |
| Jenny Bridges | Data Communications Company (Proposer) | JB |
| Leo Brown | Data Communications Company (Proposer) | LBr |
| Nigel Collins | Data Communications Company (Proposer) | NC |
| Tim Dunning | Data Communications Company (Proposer) | TD |
| David Addison | GRDA | DA |
| Sharon Dudley | GRDA | SD |

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| Ayena Gupta | Ofgem | AG |
| Louise Burns | Ofgem | LBu |
| Claire Hemmens | RECCo | CH |
| Jonathan Hawkins | RECCo | JH |
| Mark Loveday | RECCo | ML |
| Mollie De Camp | RECCo | MD |
| Cathy Mulliss | Supplier representative | CMu |

## 1 WELCOME AND INTRODUCTIONS

The Chair (TP) welcomed attendees to the fifth R0092 work group meeting. Two new Ofgem representatives were in attendance, so all work group attendees introduced themselves and their role.

## 2 MINUTES FROM THE LAST MEETING

There were no comments on the minutes from the previous meeting held on 07 September 2023 and the minutes were approved.

## 3 OUTCOMES FROM PARTY IMPACT ASSESSMENT

EH noted that following on from the previous work group, a 25-working day Party Impact Assessment was triggered, and this closed in November. An overview of the responses was fed back to the DCC who has since reviewed the proposals and brought these to the meeting. It is hoped for this to be the final work group with the aim to send the Final Change Report to the Authority for determination early May 2024.

## 4 DCC'S FINAL PROPOSSAL

BB noted that following the successful go-live of the Switching Service and subsequent better understanding of user and system behaviour, the DCC submitted Change Proposal R0092 in February to align Service Levels with real world behaviours. Following discussions with the work group, RECCo and industry, the DCC has created an updated proposal.

It was clarified that this Change Proposal will be assessed against the three REC objectives.

a) To ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement.

b) To ensure customer interests and data is protected in the operation of the REC.

c) To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructure it governs.

GS noted that through the work group discussions, the DCC had been able to put some beneficial service improvements in place.

**Maximum Demand Volumes**

It was discussed at the September workshop that peak volumes were set to 281,600 however, this did not take into account all messages. NC did some analysis to determine a reasonable peak which was 1,088,000. A 5% optimism bias was then proposed and the DCC agrees with this, which will take the daily maximum demand volume for all messages to 1,150,000.

DA queried if this number was calculated by identifying that you likely need to allow for 3 – 4 additional transactions per registration. NC confirmed this was correct.

JH noted that the peak of switches will remain at the 281,600 figure, however, the 1,150,000 will be the peak daily total messages for the purposes of calculating synchronous and asynchronous responses. There are Service Levels that relate to all CSS messages, but maximum demand volumes are only defined for two or three of the CSS messages. Therefore, there was a misunderstanding and inability to calculate some of those Service Levels. There was a need to define the difference between the peak daily switches and peak daily total volume of messages.

**Synchronous responses**

It was noted that the longest response time identified for synchronous responses was approximately 1.5 minutes and the average was 0.35 seconds. From the impact assessment, the Code Manager fed back that even though the DCC's proposal was to have no distinction between average and peak daily volumes with one performance measure of a mean time of 2 seconds or less and a 100% performance level, industry wanted further assurance via a maximum response time. The DCC's preference to this would be to re-introduce the 90$^{th}$ percentile target.

It was clarified that the DCC's proposal was now to remove the average and peak measures and have the one performance measure of 2 seconds or less but to keep a 90$^{th}$ percentile. TD clarified that 6.1 is measured daily.

AM noted that 90$^{th}$ percentiles are easy to write ambiguously within the Code and that it must be clear to ensure that it can be calculated appropriately. JH asked AM if his team had thoughts on how the 90$^{th}$ percentile should be defined within the REC and AM noted that the current interpretation is that you measure the average of the days and then measure 90% of that, however, it should be the 90$^{th}$ percentile of messages, not the subset of periods.

DCC noted that these work groups have highlighted some service improvements that the DCC can instate. One of these is to ramp up the number of channels which will better cope with the higher demand and therefore increase processing capacity. This improvement does not impact the code nor will form part of this change proposal. It is an operational change.

**Asynchronous responses**

GS highlighted that the largest outliers seen with asynchronous responses were about 10 minutes and average processing was approximately 1.92 seconds. The current Service Level is

3 seconds or less and the DCC proposal that was taken to Impact Assessment was to have no distinction between average and peak. Industry again wanted a maximum response time documented however, the DCC's preferred proposal for an asynchronous response would be to retain the 90th percentile and for this to be calculated daily.

DA countered that the hourly target should remain and that having a maximum response time is beneficial as it gives users clarity in terms of how they manage their systems. DA also raised a concern about performance at critical times (around the 17:00 mark). JH noted that a backstop would negate issues where a registration doesn't get processed if it wasn't completed before 17:00.

JH also queried the thought of having an average response time of 3 seconds and to have an absolute backstop of 10 minutes. 10 minutes is likely too long for industry but using these principles would give user protections. The current feedback from industry is suggesting a backstop is preferable to a 90th percentile.

GS was asked to provide a firmed-up proposal for asynchronous responses.

It was also highlighted that the role of the Code Manager and RECCo at this point in the Change Process is to ensure that the proposal taken forward has a reasonable chance of success. Ideally the Code Manager would not require an alternative proposal.

**Gate Closure**

GS noted that a further operational service improvement is to increase the number of channels to 40 to improve processing performance.

There was some confusion with the DCC's proposal, but it was confirmed that the proposal is for the DCC to continue to report on the end-to-end process of gate closure, however, would not be penalised financially for it and for this to be removed from the incentive scheme. This is because the DCC agrees that it plays a role in the end-to-end process, however, believes it should not be held responsible for slow end-user responses. Its proposal would negate the need for the exemptions process.

Previous discussions stated that the industry and work group view was for the end-to-end process to remain part of the incentive scheme but also use the process already available to take any instances to the PAB whereby failures were caused by user endpoints. GS highlighted that using this process at the PAB previously had not been successful for the DCC.

DA noted that as the GRDA it would be very concerned with any softening of the DCC's responsibilities for gate closure. Also, that having a list of end-user's poor performance to share with the PAB may be a useful exercise. AM noted that this could be an idea for a separate change proposal where there is an SLA on CSS User responses. The DCC then being able to communicate effectively to those not responding appropriately seems a positive service improvement.

LB advised that the DCC has also seen a risk to gate closure with mass internal migration activities. There may be an opportunity to differentiate between genuine switches to prioritise queuing. It was also noted that removing the elements of gate closure outside of the DCC's control, from the incentive scheme would not change DCC's commitment to the service level.

JH noted that he had a lot of appreciation for the points DCC raised on this measure, with regards to DCC not having control over user response times, but ultimately, the requirement in the REC is to process and release all of the various messages associated with switching at gate closure within 40 minutes. Even though there are good people within the DCC today that take this seriously, we still need this requirement in the contract as this goes beyond the life cycle of the existing people and processes there now. This 40-minute obligation must remain, and this service level is material enough to require incentivisation. It cannot be assumed that there will not be a case where this service level is not met because of things within the DCC's control. However, it should be made clear to the PAB that there are a set of use cases that fit inside the exemptions process and should be considered where this is wholly as a result of end user performance.

## 5 SUMMARY AND NEXT STEPS

TP raised that we haven't yet addressed all items on the agenda and proposed for a second meeting to be scheduled to cover an update on the asynchronous responses proposal, feedback on gate closure and delve into incidents and service requests.

## 6 CLOSE

A further meeting was agreed, and TP closed the meeting.