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R0092 – DCC SERVICE LEVEL AGREEMENTS FOR THE SWITCHING INCENTIVE REGIME

FINAL MEETING MINUTES

MEETING	**R0091_01**
DATE	**15 June 2023, 15:00**
LOCATION	Via teleconference

Attendee	Representing	Initials
Tina Pearce	Code Manager (Chair)	TP
Elise Handy	Code Manager (Lead Analyst)	EH
Glenn Sheern	Code Manager	GS
Michael Taylor	Code Manager	MT
Sidni Renmiu	Code Manager	SR
Vaishnavi Sharma	Code Manager	VS
Bilal Ali	Data Communications Company (Proposer)	BA
Cordelia Grey	Data Communications Company (Proposer)	CG
Debbie Walker	Data Communications Company (Proposer)	DW
Ekta Sareen	Data Communications Company (Proposer)	ES
Gary Stuart	Data Communications Company (Proposer)	GSt
Jenny Bridges	Data Communications Company (Proposer)	JB
Leo Brown	Data Communications Company (Proposer)	LB
Nigel Collins	Data Communications Company (Proposer)	NC
Tim Dunning	Data Communications Company (Proposer)	TD

Rachael Prosser	DNO representative	RP
David Addison	GRDA	DA
Molly Haley	GRDA	MH
Claire Hemmens	RECCo	CH
Jonathan Hawkins	RECCo	JH
Carl Dennis	Supplier representative	CD
Cathy Mulliss	Supplier representative	CM
Emma Johnson	Supplier representative	EJ

1 WELCOME AND INTRODUCTIONS

The Chair (TP) welcomed attendees to the first R0092 work group meeting. Apologies were received from Sarah Mower (EES Provider).

2 R0092 BACKGROUND

JH noted the Switching Programme introduced the new Central Switching Service which went live in July 2022. The DCC is the operator of the Centralised Registration Service (CRS) which includes the CSS Provider, Switching Operator and CSS Certificate Authority.

There were a number of Service Level Agreements (SLAs) that went through industry debate and refinement to inform the procurement of this service, and these were agreed as part of Design Baseline 4. These SLAs were subject to consultation and informed the DCC's procurement of the services. These SLAs were transitioned to the REC and are set out in the REC Service Definitions for each service. There has been a lot of good work to address any already live issues and incidents since go-live approximately nine months ago and as we move towards the stabilisation of the service. There has also been the development of an economic incentive scheme for the DCC to incentivise timely delivery and proactive prevention and rectification of service levels. This was introduced via Change Proposal R0025 – Service Provider Performance Charges (DCC) which was linked to Ofgem's introduction of the Switching Incentive Regime and is the retail equivalent of the Smart Energy Code (SEC) performance regime that the DCC operates to.

The DCC has identified some changes or improvements to the service levels as they see them today and those changes are being proposed via Change Proposal R0092 – DCC Service Level Agreements for the Switching Incentive Regime. There are a number of layers to that Change Proposal, some that introduce new concepts such as materiality and exemptions and some that provide clarifications to aid clear reporting and accountability. The role of this work group is to work through those proposals and recommend what those service levels should be in terms of

what provides the required assurances for service users, whilst also ensuring they are proportionate and realistically achievable in the operation of the service. The role of this work group is to get the proposal to a point where the solution is fully formed, and a decision can be made. We encourage input from all sides to ensure this can be achieved.

JH further noted that RECCo does not have a particular view against the proposal at this time and that where a consensus cannot be achieved, there may be an alternate CP progressed. The default position is that the current service levels are in place and in the absence of an implemented change proposal or a rejected change proposal, the current service levels remain in place.

3 TERMS OF REFERENCE

The Terms of Reference were approved.

4 WORK PLAN AND MEETING SCHEDULE

The work plan and meeting schedule were approved.

5 DCC PROPOSED CHANGES TO MESSAGE RESPONSE TARGETS

BA advised that the DCC is fully supportive of the regime and understands the benefits of it, however, wants to ensure that the SLAs used within the regime give the right quality of service and are aligned to real world scenarios.

The DCC believes that there are a few areas missing in the current regime, mainly around the exemptions and exclusions. As an example, the DCC is currently penalised for performance where it relates to other market participants where the DCC doesn't have contractual relationships with nor any specific commercial control over.

Message Response Targets – Synchronous and Asynchronous responses

NC noted a few issues with the current measures within Central Switching Service Definition (CSS Definition) Sections 6.1 and 6.2. Currently performance is measured on a percentage of messages in an hour rather than a percentage of messages over the whole month.

In an example of an hour where there are six responses, this carries the same weight as in an hour with thousands of responses. Therefore, if a single message failure falls into an hour where there are few responses, this would be sufficient to turn that into a failure for the whole month as the performance target level is 100%. The DCC argued that measuring performance over an hour, is not a fair reflection of the overall performance of the service and proposes the move to service levels being related to messages over the month.
DA raised that measuring against a mean average over the whole month is not granular enough and that there would likely be a middle ground.

It was also raised that a sliding scale of performance may be beneficial, and it was queried how criticality of messages was incorporated into the service level. VS also noted that we need to understand the impact of the longest message response time has on other market participants.

It was noted that the DCC does not report on all synchronous messages to the PAB however, the REC SLAs relate to all synchronous messages. There are seven messages in scope of Registration Service requests - Switch Requests, Initial Registration Requests, Annulment Requests, Objection Responses, Withdrawal Requests, Registration Deactivation Requests and Registration Event Requests.

There was a concern regarding what the REC states today compared with what the PAB reporting obligations are in respect to the CSS Service Definition section 6.1 and 6.2. It was believed that 6.1 was meant to be measured as hourly rather than daily and that this was a drafting error. JH confirmed that hourly was for maximum demand values which currently only apply to switch requests and changes of supplier agent. Maximum demand volumes are not described within the service definition.

Action 1506_01: The Code Manager to reconcile any differences identified through proceedings of the R0092 workgroup between the REC obligations and performance assurance reporting.

The DCC highlighted that the Switching Service struggles, not where there is a consistent flow of messages but where the system has been processing a relatively low number of messages and then is forced to quickly scale up, and then scale back down. This can slow message response times rather than these being slowed by a peak number of messages at any one time. This is where measuring within the hour can create an unfair reflection of performance. It was queried what an average response time is when the system is scaling up. Understanding the processing time for all messages may help inform what appropriate SLAs would be if this was coupled with an understanding of the timescales required by other service users.

Action 1506_02: The DCC to confirm the required timescales to process synchronous and asynchronous responses during peak demand volumes.

Action 1506_03: The DCC to confirm how long in-hour scaling processes takes to account for unexpected peak volumes.

CM queried what impacts the Market Wide Half Hourly (MHHS) Migration and data cleanse would have on the volume of messages being sent and requiring a response. JH noted that change proposal R0093 is going through impact assessment now. This change proposal is looking to amend the DCC service levels to accommodate those migration volumes. These migration volumes specifically relate to change of supply or agent messages. It is expected that the DCC takes responsibility for managing those peak migration volumes as determined by the Programme.

Gate Closure

The DCC highlighted the issues experienced in terms of gate closure targets within CSS Service Definition 6.3, however, it does not have a proposed solution for this. It is expected that the work group can determine what the appropriate solution would be to address the concerns highlighted.

Similarly, as discussed earlier with regards to synchronous and asynchronous message responses, the issues are that the performance measure is set as a percentage of days rather than a mean gate closure time across the month. A day where there are very few switches, carries the same weight as a day where there are 200,000 switches. A failure of one day, which

could be a low volume day, has meant that there is a failure, and the entire month becomes red. It was noted that the measurement includes parts of the process which are beyond DCC's control, and this is one of the main differences between this performance measure and others. It relies on other endpoints responding to messages in the correct time. Where there is a slow average response time to endpoints, the DCC cannot go faster than what the endpoints can handle. There is also a 100% target on this measure.

It was suggested for a suitable method of measurement which does not include processing time of other market participants or where there is a processing time beyond certain values, there are certain triggers or there could be an exclusion.

DA highlighted the importance of this measure as Xoserve has experienced circumstances where it had received late or missed messages and that these have been material and in the realms of half a million pounds. DA noted that Xoserve would fiercely protect the performance anywhere downstream of the GRDA.

LB agreed that it was a very important point and likely related to other operational issues and that DCC agrees that getting messages responded to in the right time at gate closure is vital. The focus here is that DCC would like to ensure that it is not penalised with performance measures outside of its control at gate closure.

JH added that it would be worthwhile for DCC to produce a slide demonstrating the dependencies on user response versus the dependencies on the DCC to complete the process. Where an end user is the issue, then it is right that the DCC is measured on what is within its control however, fully understanding that path is necessary to be able to discuss a way forward on it.

Action 1506_04: The DCC to produce a slide demonstrating the dependencies on user response versus dependencies on the DCC to complete processes regarding gate closure.

6 DCC PROPOSED CHANGES TO INCIDENT MANAGEMENT TARGETS

LB noted that similarly to the previous performance measures discussed, the target performance is set to 100% and that this is not an achievable measure without compromising quality. For quite complex issues, where longer investigations are needed with various parties, striving to meet the 100% target measure means that the DCC may try to push forward a message that is incomplete. It was further noted that it would be very costly to implement a 100% performance target for all incidents across all service providers.

The DCC proposes to set a minimum and a target level of performance which would provide the assurance that an incident would be managed appropriately and would also account for more complex issues. LB also noted that the switching operator SLA is not simply measured by the DCC service desk. It is a combined SLA with other service providers as well which makes it more difficult to define the measures.

JH added that having different priority levels for the switching programme was deliberate and that these fed into the procurement. There are two measures per priority type. For major incidents, there is a target response time and a target resolution time. It should be remembered that the objective is not to align with SMETS but to ensure the incident response time is suitable

for the Switching Service. We must consider the expected response times from service users as we work through this item in relation to the priorities and consider whether they are appropriate and will they continue to be appropriate in future. Also, whether there are any circumstances in which it would be appropriate that the service user doesn't receive the response time within those times and that informs whether a performance level should be associated with it.

DCC confirmed that it is suggesting no changes to the timings associated with incidents, however proposing that there was a minimum level and a target level. JH added that the group should work through the expected response times for service users in relation to priorities and consider whether they are appropriate and will they continue to be appropriate in future i.e. if three in every 20 did not meet the requirement, what risk would this have on other service users.

LB added that it is not DCC's intention to aim for the minimum level of service and that this would not feed into any of its processes or change its speediness of resolutions.

DA queried whether there would be a risk that incidents may not be resolved if the target is not 100% and if there isn't a backstop on when an incident should be resolved, would it ever be resolved. LB noted that this would never be DCC's attitude towards incidents or service desk procedures. GS added that there is just no scope to miss anything with the current performance levels.

JH highlighted that as the group works through this measure, it must be done in the context of service levels, service levels with performance assurance frameworks in a contract to ensure minimum levels of service. Target levels are normally used to incentivise higher levels of service. It may be that 100% is not appropriate in certain cases. It may be that 100% is appropriate for particular reasons in certain cases. We need to work through that and target levels we need to consider this on the basis that those would normally be applied to something going over and above the expected level in order to incentivise a particular market participant.

JH added that since the bulk of volumes are P3 or P4, and that that is a factor in making the achievement of these service levels month on month challenging, it would be worthwhile understanding if these volumes are flat and predictable or relatively volatile. If it is that these are high volumes, but they are relatively stable, there could be an aspect of the Switching Operator ensuring the operation is bolstered to meet the demands of users and that there may be some wider initiatives of the Switching Operator. If they are volatile, this would require a different approach.

To provide context, LB advised that there are currently 13 P3s open out of 1000 and around 200 incidents currently opened. This is outside of the 868 that are currently on hold with market participants. JH highlighted that "stop the clock" is available for these scenarios.

It was noted that 98.98% of service desk tickets are P4 and 1.2% are P3. The volume is relatively stable around 1200 week on week.

Action 1506_05: LB to provide data on open incidents, their associated priority categories, volumes and any on hold.

TD referenced the proposal in relation to the Performance Measures Exclusions List (PMEL). Where there were 1900 P4 incidents raised last month, 1600 of those wouldn't necessarily be included within a performance report if exclusions were incorporated as many are duplicate

incidents. JH noted that even if there was a duplicate raised, it still must be triaged to determine that it is a duplicate.

LB further noted that there are very different processes for the P1 and P2 compared with a P3 and P4. The DCC has its own major incident team for P1 and P2 incidents.

7 FORWARD AGENDA

EH advised that the noted actions as well as any suggestions raised from work group members would be brought back for further discussion at the following work group.

8 ANY OTHER BUSINESS

There was no further business and TP closed the work group.