

DCC Service Provider Performance Charges

Consultation Response
Form

Respondent Details

NAME	Stève Hervouet
ORGANISATION	DCC
ORGANISATION CATEGORY	DCC
EMAIL ADDRESS	steve.hervouet@smartdcc.co.uk
TELEPHONE NUMBER	
RESPONSE CONFIDENTIALITY	Non-Confidential

Questions

1. Which of the individual DCC SLAs (set out in the ‘DCC Service Level Agreements’ section of this document) across all three DCC Services, do you consider are the most material and impactful, should they not be met? Please explain your reasons why, noting you can specify more than one.

We will be interested in understanding which SLAs are particularly important to our customers and look forward to working with Ofgem and RECCo on a performance management framework that addresses those areas.

For DCC it is important that performance against any measures used in incentives schemes to manage DCC’s performance is entirely under DCC’s control, and that we can manage the performance of our service providers against them.

RESPONSE CONFIDENTIALITY

Non-Confidential

2. Which of the individual DCC Services (if any), do you consider are the most material and impactful, should one or more of their SLAs not be met? Please explain your reasons why.

We will be interested in understanding which service areas are particularly important to our customers and look forward to working with Ofgem and RECCo on a performance management framework that addresses those areas.

For DCC it is important that performance against any measures used in incentives schemes to manage DCC's performance is entirely under DCC's control, and that we can manage the performance of our service providers against them.

RESPONSE CONFIDENTIALITY

Non-Confidential

3. Where do you consider that performance charges relating to some or all DCC SLAs should operate:

- a. the Switching Incentive Regime (SIR);
- b. the REC Performance Assurance Framework (PAF); or
- c. split between both the SIR and REC PAF?

Please explain your answer and detail which SLAs should be subject to the SIR, if any.

We consider that this question should be addressed based on a full and detailed understanding of the differing roles of Ofgem and DCC in performance management and economic incentivisation. This should also look at the powers, capabilities and capacities of each organisation.

A coherent and consistent performance management framework can then be constructed from that detailed understanding, without the risk of double jeopardy for DCC, and allowing economic incentivisation by Ofgem to be complimented by performance management under the REC.

We will be happy to work with Ofgem and RECCo on constructing such a framework.

RESPONSE CONFIDENTIALITY

Non-Confidential

4. Do you consider that any of the three DCC Services (CSS, CSS CA and Switching Operator) should have all their constituent SLAs assured under the SIR as opposed to the REC PAF? Please explain your reasons why, noting that you can specify more than one service to operate in this manner.

As above.

RESPONSE CONFIDENTIALITY

Non-Confidential

5. Do you agree with RECCo’s concerns that splitting the assurance of the DCC, as a REC Service, between two regimes could undermine RECCo’s ability to hold its Service Provider to account for the end-to-end delivery of its service?

We don’t think that splitting the assurance of the DCC between an Ofgem and a RECCo regime undermines RECCo’s ability to hold us to account. We believe that it is possible to construct a performance management framework that allocates an appropriate role to Ofgem and RECCo.

RESPONSE CONFIDENTIALITY

Non-Confidential

6. Do you consider there to be any other risks or issues with DCC SLAs being subject to the SIR instead of the REC PAF?

No.

RESPONSE CONFIDENTIALITY

Non-Confidential

7. Do you agree that the REC PAB should continue to be responsible for monitoring DCC SLAs and providing a recommendation on whether these have been met if these are assured under the SIR?

It would make sense for the REC PAB to set its priorities for its activities based on a risk assessment in line with the REC and its Terms of Reference.

RESPONSE CONFIDENTIALITY

Non-Confidential

8. If an SIR is introduced, do you consider this should be a temporary measure and reviewed as part of the DCC’s Licence review in 2025?

We do not see that the design and implementation of an Ofgem-led performance management framework for Switching is linked to the Licence Review in that way. However, we feel that any economic incentivisation scheme should be regularly reviewed.

We have experience, for example, of working with Ofgem and the SEC code body on developing the Operational Performance Regime. This suggests that the design and review of such a scheme should be a collaborative effort and that it is important to invest upfront in finding the right measures based on the expertise of all parties involved.

RESPONSE CONFIDENTIALITY	Non-Confidential

9. Do you have any further comments?	
The time given to respond to this consultation has been insufficient to provide a more detailed response. We will be happy to contribute further to RECCo's efforts on performance management.	
RESPONSE CONFIDENTIALITY	Non-Confidential