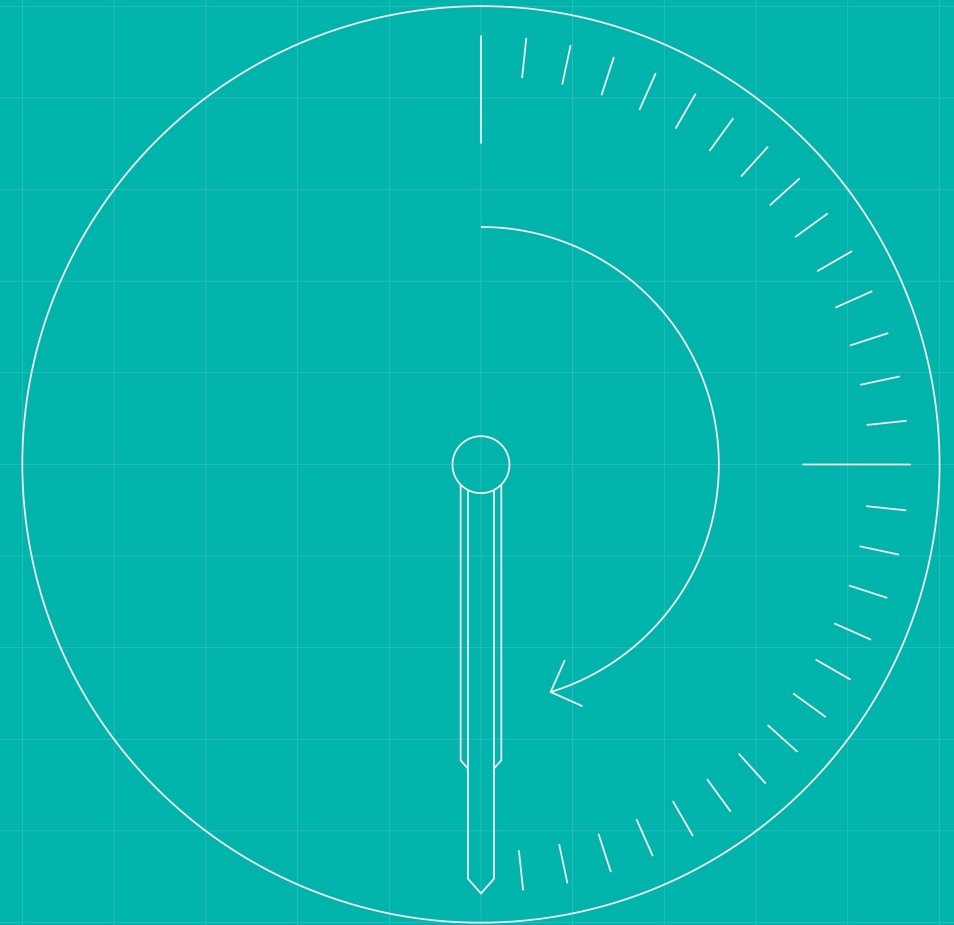


CR027 Impact Assessment Report & Recommendations



DECISION: CR027: Review the outputs of Impact Assessment and make a decision on next steps

CR027 – Impact Assessment Summary

Objective:

DAG to review the outputs of the reissued CR027 Impact Assessments and advise SRO on their decision to approve or reject the Change Requests.

Headlines:

- The majority of respondents to the Impact Assessment were in favour of implementing the Change Request.
- Overall: **19 respondents supported the change; 3 respondents rejected the change; and 7 respondent abstained.**
 - Of the 19 supporters, **3 stated that their support is subject to conditions.**
 - These conditions are as follows: for DIP to be the enduring solution for market messages going forward; for e-billing itself to not be mandated; and for a CCN requirement (from Avanade).
- DNOs and iDNOs generally voted in favour of the Change Request, whilst responses from suppliers were mixed.
- **The supporters of the change highlighted the following items/themes to support their decision:**
 - Modernisation of billing and embracing new technologies
 - Protecting and managing revenue and cash flow.
 - Preventing duplication outside of the DIP.
- **Those who voted against the Change Request did so on the following basis:**
 - Benefits are not realised whilst the D2021 invoice is received over the DIP whilst the D2026 remittance is returned via the DTN.
 - Concerns around e-billing becoming mandated for those who do not currently use it.
- **Additional risks were raised:**
 - Impacting Programme timelines.
 - Flexibility of DIP messaging, notably the requirement for postcodes, and the lack of ability to add notes.

| Programme Parties | CR027 Recommendations | | | |
|-------------------|-----------------------|----------|----------|------------|
| | Yes | No | Abstain | No Reply |
| Large Suppliers | 3 | 1 | - | 2 |
| Medium Suppliers | 1 | - | - | 6 |
| Small Suppliers | - | - | - | 33 |
| I&C | 2 | 1 | - | 38 |
| DNOs | 6 | - | - | - |
| iDNOs | 4 | 1 | - | 8 |
| Ind. Agents | - | - | 2 | 45 |
| Supplier Agents | - | - | - | 6 |
| S/W Providers | 1 | - | - | 24 |
| REC Code Manager | - | - | 1 | - |
| National Grid | - | - | 1 | - |
| Consumer | - | - | - | 1 |
| Elexon (Helix) | - | - | 1 | - |
| DCC | - | - | 1 | - |
| SRO / IM & LDP | 1 | - | - | - |
| IPA | - | - | - | 1 |
| Other | 1 | - | 1 | - |
| Totals | 19 | 3 | 7 | 164 |

Notes:

The classification of Independent and Supplier Agents is maintained by the Programme Party Coordinator and is subject to change.

Rationale for being marked down as abstained:

- National Grid ESO abstained from responding as the change does not impact them.
- RECCo abstained from responding as the change does not impact REC provisions.
- An Independent Agent abstained from responding as they expected no direct impact from the change.

CR027 Impacts – Views on the proposed approach (Page 1)

| Programme Parties | Range of respondents' views on benefits and concerns (related to the approach in CR027) |
|-------------------------|--|
| Large Suppliers | <ul style="list-style-type: none"> + Four Large Suppliers responded to the Impact Assessment, three of which supported the implementation of the Change Request. + They supported the modernisation of LDSO invoices and the standardising of message flows. + The change would remove risk to distributor revenue and code obligations for suppliers on invoice settlement. – One Large Supplier rejected the Change Request. – The rejecting Large Supplier agreed with the principles of the change but listed the following dependencies: whether or not the change incorporates iDNOs, how the response to D2021 with D2026 would be shaped; how the period from MPAN migration will be managed; and the replacement of D2021. – One supporting respondent raised the risk of impacting Programme timescales. – Another supporting respondent called out the challenge of implementing the change ahead of SIT, and the need for a Programme-wide assessment to validate if this is achievable. |
| Medium Suppliers | <ul style="list-style-type: none"> + The one responding Medium Supplier supported the implementation of the Change Request. – Although supportive of the change, they raised the risk of impacting schedules due to the requirement of additional development and testing. |
| Small Suppliers | <p><i>Did not respond.</i></p> |
| I&C | <ul style="list-style-type: none"> + Two of the three responding I&C Suppliers were supportive of the Change Request. + Their support was provided on the basis that the DIP will be the enduring solution for market messages going forward. – One of the responding I&C Suppliers rejected the Change Request. – They were supportive of the intentions to move site specific DUoS charging provision over the DIP, however we feel the benefits case is not realised whilst the D2021 invoice is received over the DIP whilst the D2026 remittance is returned via the DTN. In order for benefits to be realised, both need to be DIP derived. |
| DNOs | <ul style="list-style-type: none"> + Six DNOs responded to the Impact Assessment, all of which were in favour of implementing the Change Request. + Not implementing the change could negatively impact DNOs' ability to recover DUoS charges in a timely manner. This has a much wider and significant impact on a DNOs ability to effectively manage cash flow, which could have adverse implications for DNO short term finances and could in the long term increase costs to customers. + It is better to recognise the new technology and embrace that, rather than adapting the old. + The change would ensure the continuous recovery of revenue as efficiently as possible. + The implementation of this change removes significant risk from the end-to-end DUoS billing process for LDSOs in particular and also assists Suppliers involved in the same process, while not materially increasing the overall scope of the MHHS Programme. – The following potential risks were raised: maximum message size allowed to be sent over the DIP; Pattern B for sending REP messages; zipping of messages to accommodate the maximum message size. – One respondent noted the following: a workaround for offshore suppliers who do not have postal codes; the ability to add notes into invoices. |

CR027 Impacts – Views on the proposed approach (Page 2)

| Programme Parties | Range of respondents' views on benefits and concerns (related to the approach in CR027) |
|---------------------------|--|
| iDNOs | <ul style="list-style-type: none"> + Four of the five responding DNOs supported the implementation of the Change Request. + The proposed change prevents duplication outside of the DIP. - One iDNO reject the Change Request, arguing that only those Parties currently subscribed and using the Electralink's e-Billing commercial should be mandated to support the new DIP message. <ul style="list-style-type: none"> ▪ One iDNOs support was given on the basis that for existing parties utilising e-billing, they will be mandated to utilise the DIP flow rather than the existing D-flow, and that the e-billing itself is not mandated. ▪ Clarification was requested as to whether the Change Request proposes mandating the use of the DIP flow for all LDSO and Supplier parties. Currently e-Billing is optional under DCUSA. |
| Agents | <ul style="list-style-type: none"> ▪ Two Agents responded to the Impact Assessment, both of which abstained from voting on the Change Request. ▪ One respondent highlighted three issues with the proposed changes: the IF-021 will be routed to LDSOs for all unmetered MPANs, of which there will be around 20,000 in MHHS (after NHH have moved to HH), LDSOs should consider whether they want all this data, or whether they will rely on the aggregated data coming from central systems for DUoS billing; the consideration of the DIP constraints on the size of messages; the introduction of potential charges for de-energised MPANs. |
| S/W Providers | <ul style="list-style-type: none"> + The one responding Software Provider voted in favour of implementing the Change Request. |
| REC Code Manager | <ul style="list-style-type: none"> ▪ RECCo has abstained from voting on this change as there is no impact on REC provisions. ▪ They noted that the new interface includes a number of new data items. Before release into the DES138, the missing data item attributes such as data item descriptions will need to be populated. |
| National Grid | <ul style="list-style-type: none"> ▪ National Grid abstained from voting as the change does not impact them. |
| Consumer | <p><i>Did not respond.</i></p> |
| Elexon (Helix) | <ul style="list-style-type: none"> ▪ Elexon abstained from voting. |
| SRO / IM & LDP | <ul style="list-style-type: none"> + The Programme is supportive of the change. The Programme will work on the implementation alongside CR019 with a target of Interim Release 5. |

CR027 Impacts – Views on the proposed approach (Page 3)

| Programme Parties | Range of respondents' views on benefits and concerns (related to the approach in CR027) |
|----------------------|---|
| Avanade | <ul style="list-style-type: none">+ Avanade support the implementation of the Change Request, subject to a CCN which will be required.+ The DIP SP assessment is that it feasible to deliver the change in line with the existing programme milestones.<ul style="list-style-type: none">▪ The following risks were highlighted: complexity, message specific routing, configuration or logic may be required within the DIP that is not immediately obvious within the supporting documentation provided – risk to effort and cost associated with the change; schedule, volume of changes impacting the DIP introduces risk to timescales for delivery – prioritisation of change may therefore be required. |
| IPA | <i>Did not respond.</i> |
| Central Party | <ul style="list-style-type: none">▪ Electralink abstained from voting on the Change Request as they do not have a view on whether this will improve the process from a Distributor / LDSOs.▪ They will continue to offer of DUoS e-billing service to the market, whilst Participants require it. |