

xserve

Project Trident Launch Event

September 2024



ProjectTrident
xserve



Welcome to London Bankside



SLIDO
#ProjectTrident



Objectives

1. Project Trident stakeholders understand **the case for change**.
2. Project Trident **stakeholders have confidence** in how Xoserve is planning to deliver Project Trident's Business Case.
3. Stakeholders understand how they will be **engaged in the development of the business case** for Project Trident and agree to be involved.



Agenda

- 13:10 – 13:20 Opening remarks
- 13:20 – 13:45 The case for Project Trident
- 13:45 – 14:30 Project approach & upcoming milestones
- 14:30 – 14:45 **Break**
- 14:45 – 15:20 Stakeholder engagement
- 15:20 – 15:30 Link between BP25 & Project Trident
- 15:30 – 15:50 Q&A
- 15:50 – 16:00 Closing remarks & next steps
- 16:00 Optional networking drinks





OPENING REMARKS

Project Trident is essential for the future of UK Link

Steve Brittan & Dave Turpin



UK Link is the beating digital heart of the UK gas market



Vol of files processed:

Inbound: **1,060,902,514**

Outbound: **1,613,469,476**



1,590,694,544
(1.6 billion)

meter reads processed



Gross Value of all
Transportation invoices:
£7,638,513,998
(7.6 billion)

25Million+
Meter points

7,383,504
(7.4 million)
Shipper transfers
processed

Asset updates
processed:

4,707,348
(4.7 million)



188,879,765

AQs processed
successfully



Vol of invoices issued:

32,639
(22 types)



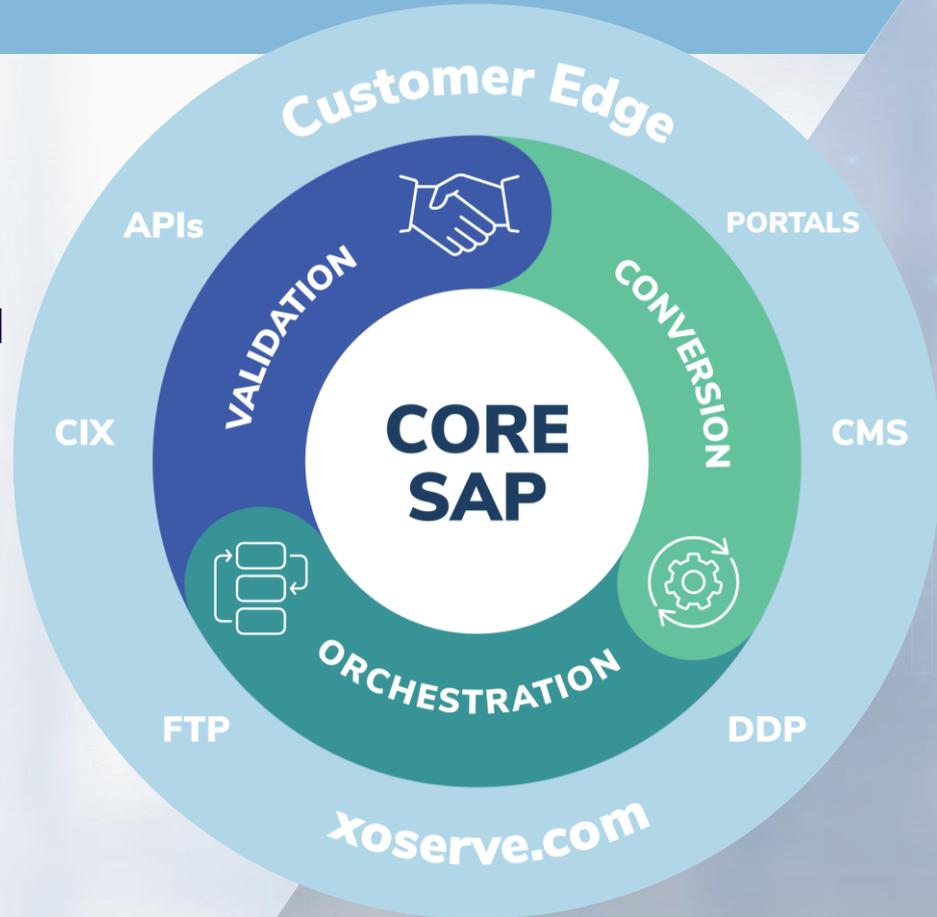
Net value of all energy
balance invoices (EBIs)
£10,830,099

99.92%
UK Link Core Service
availability (Jul 2024)

UK Link architecture

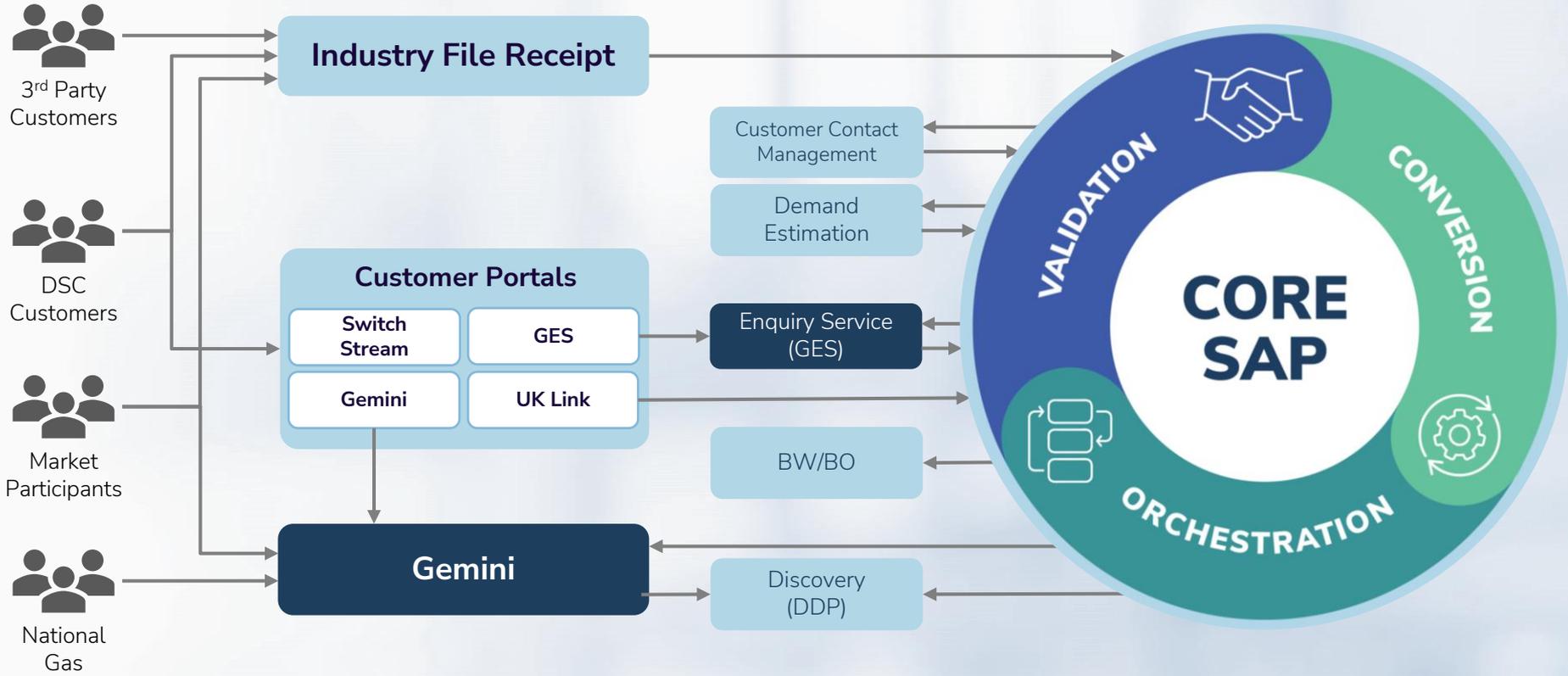
Our current UK Link implementation is made up of three interlinked and interdependent layers:

1. Core
2. VCO
3. Customer Edge



How UK Link supports our customers

Key UK Link Customer Edge



Your feedback from the May 2024 event

At the engagement event in 2024, we gathered your initial thoughts on Project Trident. **You said....**

Benefits

- Competitive procurement will deliver better **value for money** and drive **innovation**.
- **Lessons learned** from previous programmes should be applied.
- **Adaptability** in the face of market development and decarb
- **Future proofing** a solution supported until at least 2040.

Challenges

- **Left to right** planning
- Ensuring that Trident is **compatible** with customer systems.
- Engaging industry to comprehensively test the new system
- Maintenance of **cost-per-meter point value** in a market declining scenario.
- **Future investment appetite** in the gas industry.



Project Trident Core Principles

UK Link functionality will be needed until at least 2040*. UK Link's Core is built on the SAP IS-U ECC6 product set. SAP are withdrawing "standard" support for IS-U ECC6 in 2027. This will lead to increasing **risk** to the **reliability** of UK Link over time, increased **support costs** and constrain the ability to efficiently implement change.

The Core Principles for Project Trident are:

1

Ensure Xoserve **continues to deliver** CDSP services at current high reliability levels throughout Trident development. Aim to **avoid** a "big bang" switch-over. **Go early** to allow ample time for comprehensive testing.

2

Deliver a new UK Link implementation, that **as a minimum**, provides the same functionality as today's system. We will explore improvement options to **simplify industry processes** and improve **data quality and access**.

3

To deliver a simplified, robust and modular system that is capable of **efficiently adapting** to future requirements with **growth potential**. Our planning horizon is for the new solution operating until **at least 2040**.

4

We want to limit impact to our customers, taking a holistic "**whole industry implementation cost**" view, as well as the primary cost of the Xoserve investment. Customers will be **actively engaged** through this process to evaluate trade-offs.

*NESO's latest Future Energy Scenarios show minimum 11 million gas boilers for heating in 2040



THE CASE FOR PROJECT TRIDENT

To secure the future
of UK Link, we need
to start Project
Trident now

Clive Nicholas



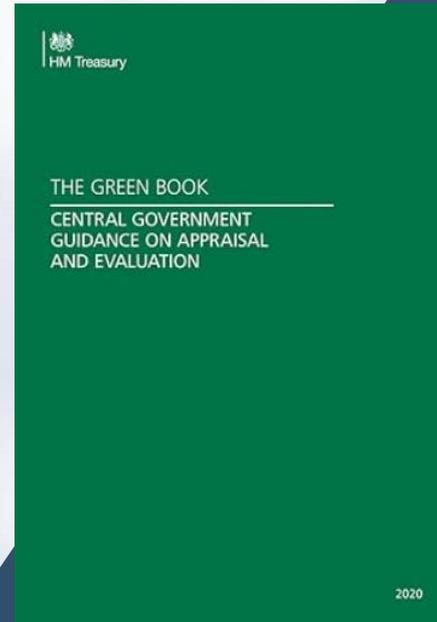
The case for Project Trident: HMT Green Book

Project Trident will use the HM Treasury Green Book approach for business case development. It will show:

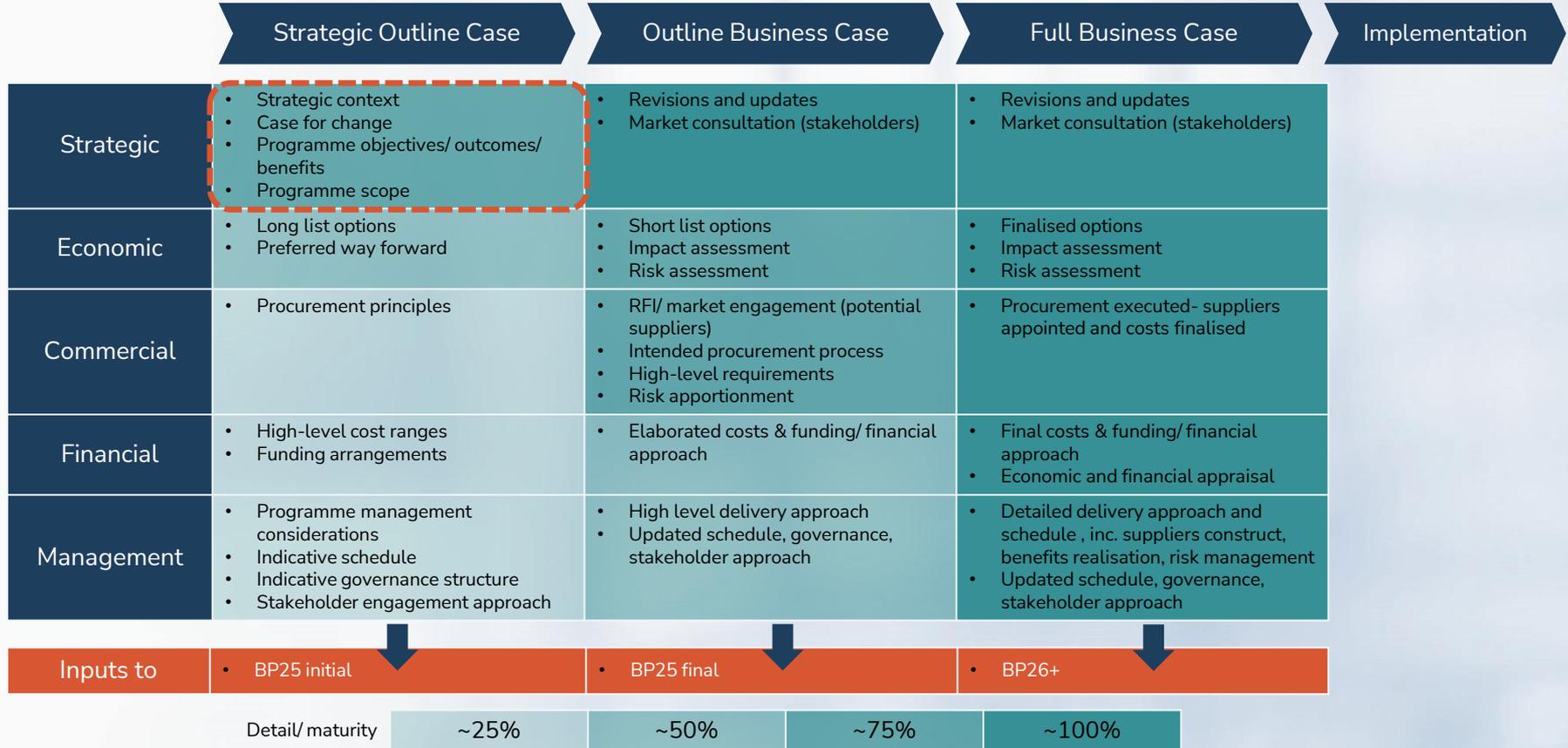
- Transparent justification of investment;
- Demonstrable value for money;
- Clear and considered approach for delivery.

The case for Project Trident and delivery approach will be developed in three iterations:

1. Strategic Outline Case (SOC),
2. Outline Business Case (OBC),
3. Full Business Case (FBC).



The case for Project Trident: HMT Green Book



The case for Project Trident

The catalyst for change is that the UK Link Core is built on the SAP IS-U ECC6 product set, which is approaching the end of its serviceable life and will be out of support in 2027.

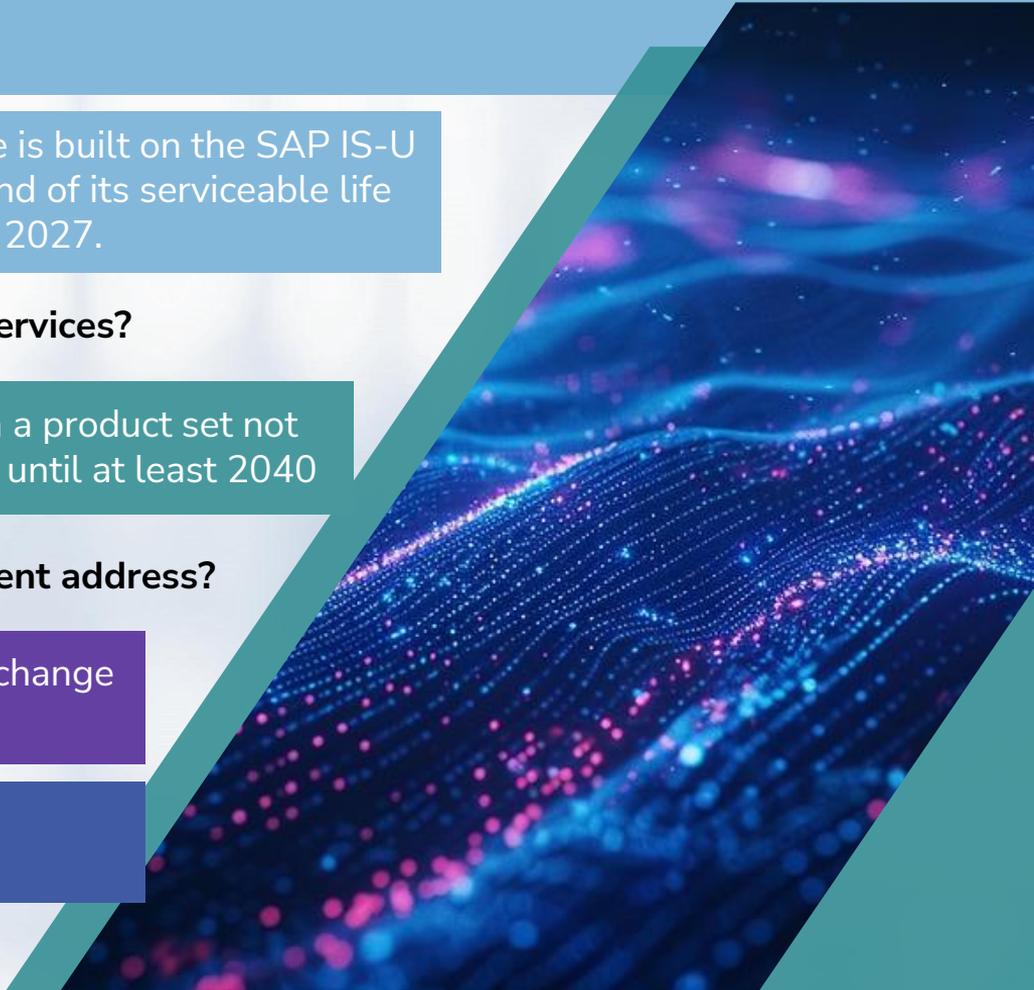
Why is this a problem for the CDSP services?

Increased risks and costs of running UK Link on a product set not supported by SAP, given that UK Link is needed until at least 2040

What other UK Link challenges will Project Trident address?

Current limited ability to adapt to future industry change which would require greater system flexibility

Current limitations and opportunities of UK Link functionality



The case for Project Trident: Risk of unsupported UK Link components

UK Link's Core is based on SAP IS-U ECC6 and SAP BW. A UK Link system built on unsupported components significantly increases the probability and likely impact incurred with outages of the system.

What are the implications for UK Link of SAP going out of support?

-  Increased risk of security vulnerabilities and security incidents
-  Compliance issues
-  Operational and support risk
-  Increased costs
-  Reduced ability to make change



The case for Project Trident: Industry changes and UK Link agility

There will be future industry changes influenced by initiatives such as Decarb, bespoke policy interventions and more frequent / complex reads of meter data (eg, MHHS, variable CV)

What does this mean for UK Link and CDSP service?



Requirement for a system capable of agility and flexibility in the future

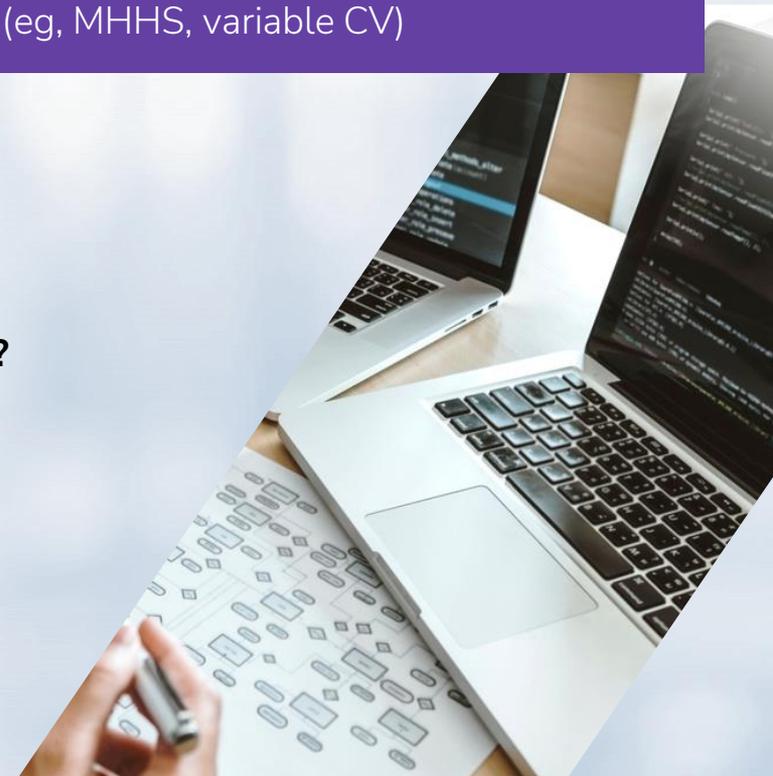
What would be a blocker to this agility in the current UK Link?



Change would be a challenge if UK Link remains on the SAP IC-U ECC6 platform unsupported



UK Link is heavily customised, making it difficult and more costly to make the changes the industry requires



The case for Project Trident: Current limitations and opportunities

Considerations of the current systems limitations and opportunities would be addressed through Project Trident.

Limitation:



UK Link data storage capability and processing capacity needs to align to increase in data volumes

Opportunity:



Simplification of the UK Link system to support agility when making industry code changes, improve customer data interaction and reduce time and cost of changes



ACTIVITY The case for Project Trident



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Please open Slido on your devices
and contribute to our word cloud.

Please add one word to describe
your first impressions of Project
Trident.



OUR APPROACH FOR PROJECT
TRIDENT & UPCOMING MILESTONES

We want Project
Trident to feel
different

Nick Partridge



Our approach for Project Trident: Lessons and insights learned

	Insight / Lesson Learned	How this will be applied to Trident
Governance	Trident must deliver value for money and clear reasons for investment.	<ul style="list-style-type: none">▪ A robust investment proposal through the HMT Green Book approach▪ Agree critical success factors to help us decide upon our future solution.
Implementation & project management	A UK Link modernisation will be complex. We must plan for this in the context of other industry change to minimise customer impact.	<ul style="list-style-type: none">▪ Robust project management, governance and assurance▪ Building specialist skill-sets into the project team▪ Incorporation of customer readiness assessment with go/no go decision stage gates.
Stakeholder engagement	Trident must take a proactive approach to sharing information and working with stakeholders	<ul style="list-style-type: none">▪ A pro-active stakeholder engagement plan, with a regular cadence of engagement through many channels and Customer Engagement Forums

Our approach for Project Trident: Principles

- **Planning** will follow a left to right approach, with more certainty following market engagement.
- **Critical success factors** are grouped into five themes:
 1. Strategic Fit and Business Need
 2. Potential value for money
 3. Affordability
 4. Achievability
 5. Capacity and capability
- **Governance** will be robust, including key specialists, assurance and delivery partner organisations, as appropriate.
- **Implementation & testing** will cover solution, market and customer testing.



Options for Project Trident

Six options are being considered at this stage are:

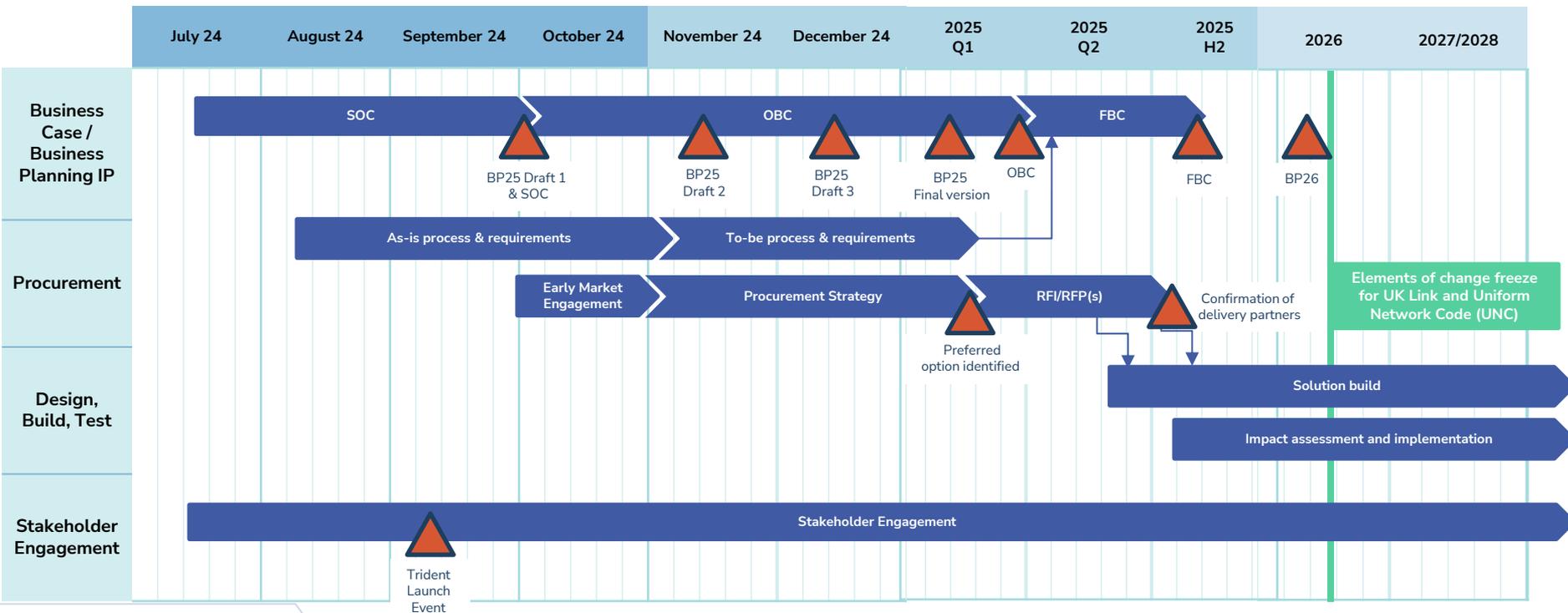
A	Do Nothing	Remain on the current Core product. Maintain the service without support from SAP or any third party.
B	Extended Support	Remain on the current Core product. Buy extended support from SAP or contract with a third party for support.
C	SAP Renewal	Buy and rebuild SAP to run on the next generation of SAP's product suite (S/4 HANA).
D	Alternative ERP Package	Buy an alternative to SAP product, either new entrant or established player, and rebuild.
E	Self-Build	Build own solution specific to Xoserve's requirements and business processes.
F	Hybrid	Buy and Build. Buy a packaged product as well as build significant parts of the solution.

Indicative timeline & upcoming milestones



MILESTONE

Decreasing certainty



ACTIVITY Our impressions for Project Trident



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Please open Slido on your devices and consider the following question:

Considering our proposed approach, what do you think are the biggest risks to delivering Project Trident?

- In person, please discuss with your neighbour for 3 minutes.
- Virtually, you will be placed in break out groups for 3 minutes.
- Submit your answers on Slido.

Break

14:30 – 14:45

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STAKEHOLDER ENGAGEMENT

Project Trident
will build trust
with our
stakeholders.

Andrea Marshall Webb &
Emma Johnson



Our principles for stakeholder engagement

user involvement

Number one factor in successful IT projects according to the Standish Group

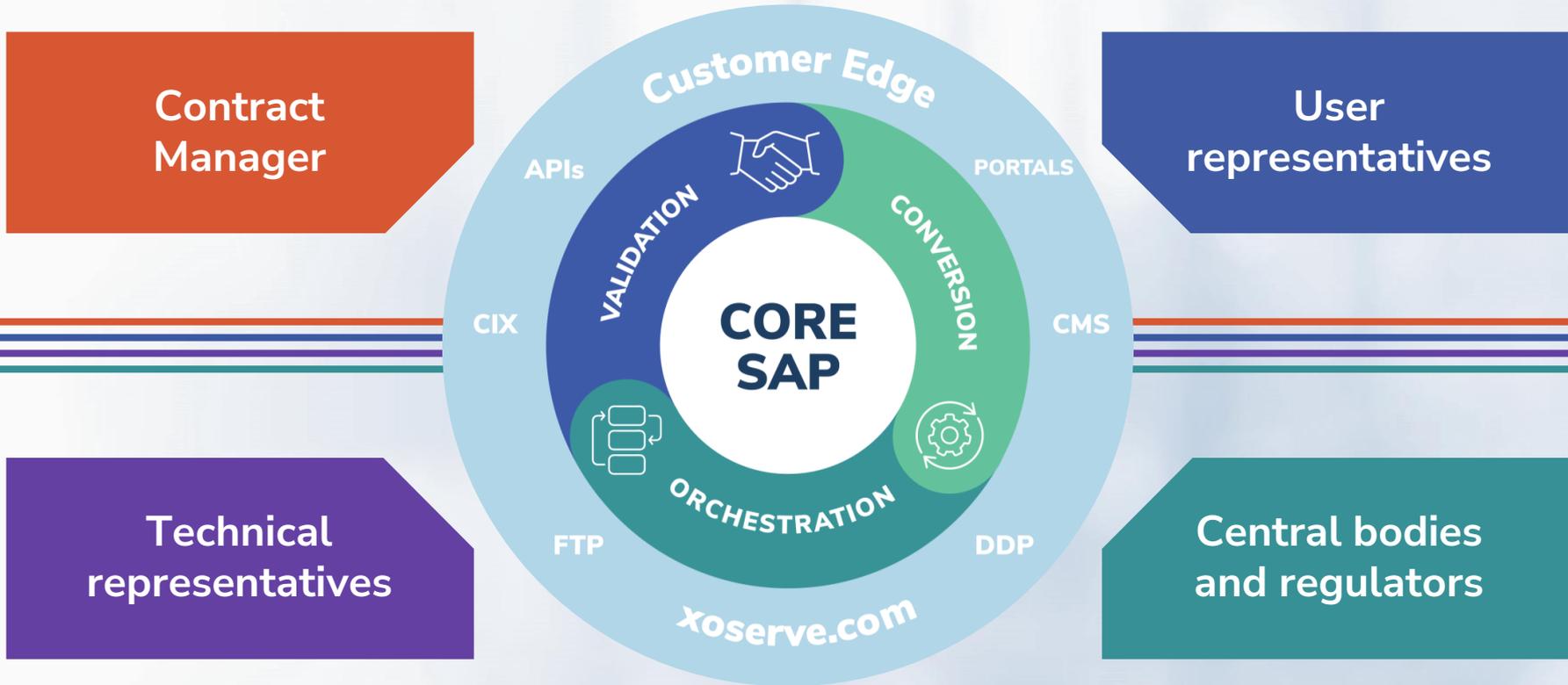


Our principles for stakeholder engagement

- Engagement will be **built into project delivery, rather than bolted on.** Stakeholders will be collaboratively engaged throughout Project Trident.
- We will create a **tailored engagement and governance model** to support with Project Trident decision-making.
- Customers will experience **different levels of engagement** throughout the project, based on their personas.

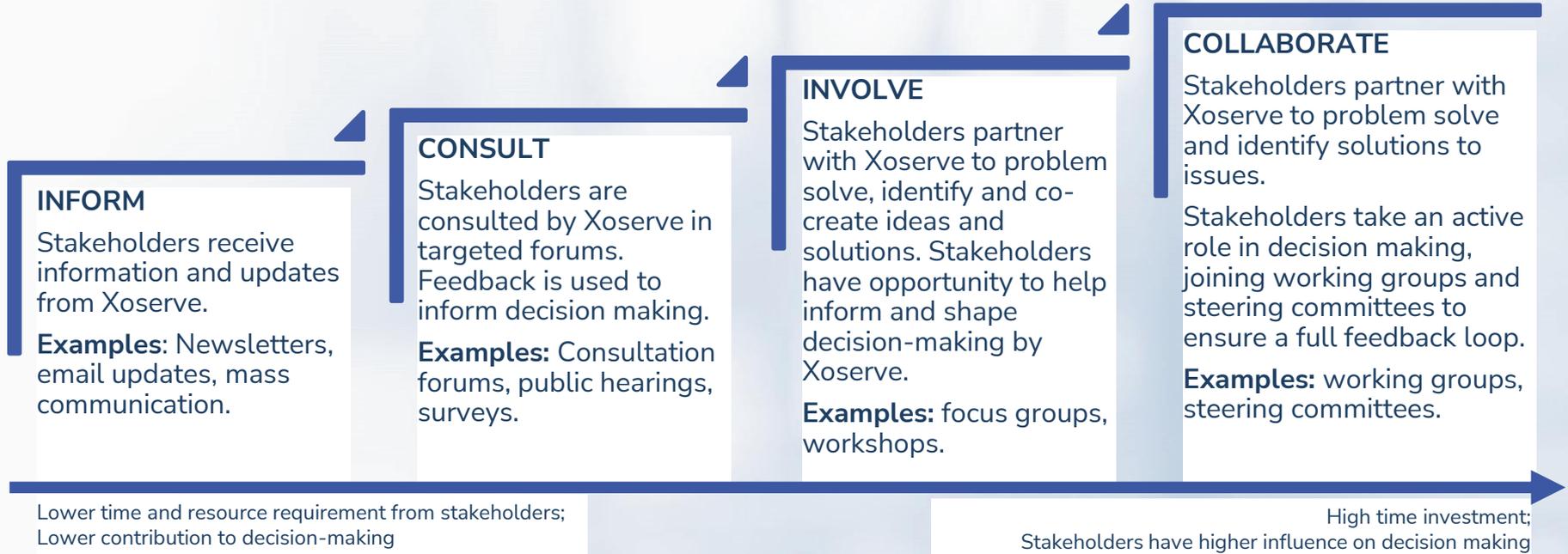


Our understanding of our UK Link stakeholder universe



Our approach for Project Trident stakeholder engagement

Throughout the duration of Project Trident, we will use **four types of engagement** for our stakeholders:



ACTIVITY Stakeholder Engagement

Yellow:
Borough Market
(this room)

Green:
Southwark room
(next door)

Blue:
Gallery room

Pink:
Globe room

Purple:
Clink
(virtual session)

We will now be moving into breakout groups.

Using the engagement model, please discuss styles and examples of engagement that you have liked in the past.

- Virtual attendees will be grouped by the facilitator.
- In person attendees, please move to the room corresponding to the colour on your name badge. Please bring the worksheet within your welcome pack.



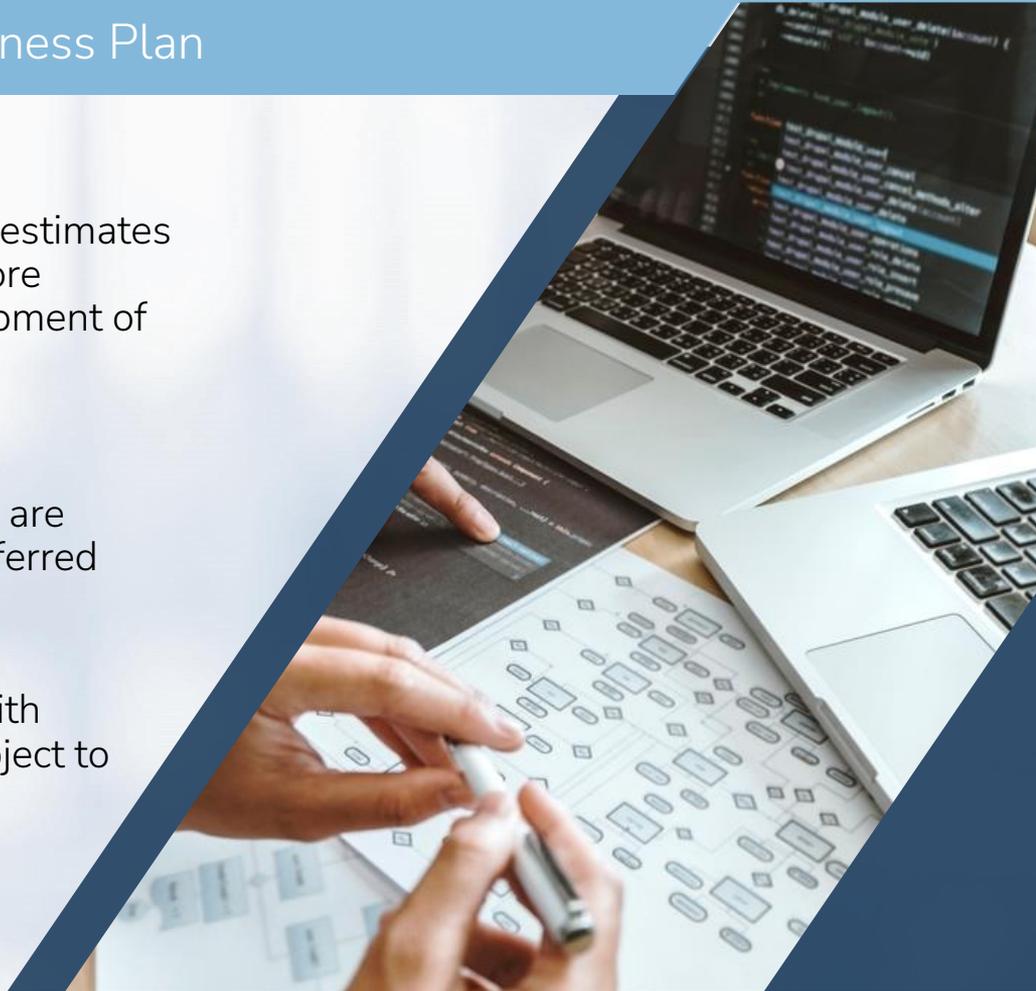
BP25

Project Trident is a major investment, demanding clear and robust commercial governance.

James Spicer

Project Trident Investment in the Business Plan

- BP25 will contain high-level outline cost estimates for Project Trident. These will become more accurate as we move through the development of BP25 and BP26.
- "Green Book" business cases will provide increasing certainty and clarity as options are narrowed, the market tested, and the preferred implementation option is chosen.
- BP investment cases will be compliant with Business Plan Information Rules, and subject to independent audit.



Funding

BP25 Draft 1 will contain high-level outline costs for Project Trident. Costs will become more accurate as we move through the development BP25 & Trident following further refinement of plans.

Decreasing certainty 

(£m)	FY25/26	FY26/27	FY27/28	FY28/29
Total	£9.7m	£14m – £28m	£15m - £37m	£15m – £37m

BP25 will include **£9.7m** that is required for us to progress Project Trident to Full Business Case, perform market testing and award of contracts to suppliers. The cost estimates for FY26+ are currently highly uncertain.

Becoming an intelligent customer

To ensure the right solution and partners are chosen, we will run a competitive procurement process to get the most value for money.

Pre-procurement

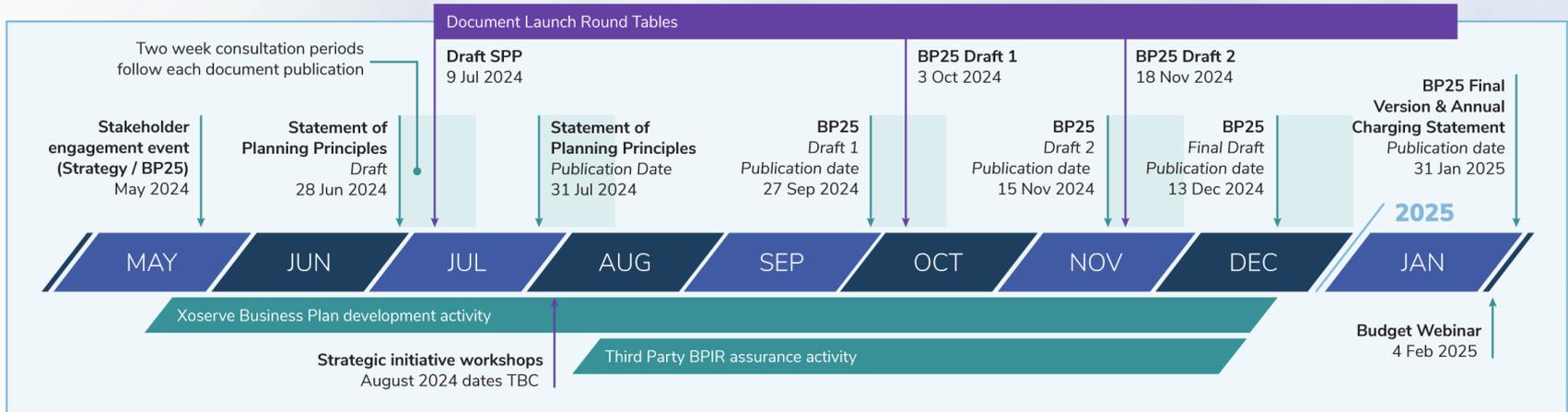
1. Operating Model
2. Market Engagement Briefing
3. Supplier Briefing
4. Supplier Responses
5. Analysis
6. Sourcing strategy finalised

Procurement

1. Issue Tenders
2. Brief Suppliers
3. Supplier Responses
4. Evaluation & Moderation
5. Presentations & Negotiations
6. BAFO Submission
7. Evaluation & Moderation
8. Preferred Bidder approval
9. Award

Next steps

- Further information can be found on the BP25 portal.
- The next customer engagement event on BP25 is 8th October, at the online roundtable.



Q&A



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Please open Slido on your devices and submit your questions on Project Trident.



CLOSING REMARKS

Project Trident is
essential for the
future of UK Link

Clive Nicholas



Thank you.

Please join us for networking on the 7th floor.

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Our reflections & learnings from Project Nexus

Theme	Insight / Lesson Learned from Nexus	How this will be applied to Trident
Scale and scope of change	<ul style="list-style-type: none">▪ Scope creep was a challenge with Nexus.▪ The scale of change with Nexus was underestimated, with large-scale, industry-driven, functional change being introduced at the same point as hardware and application change.	<ul style="list-style-type: none">▪ Definition and agreement of scope and critical success factors (CSF) upfront, within the Strategic Outline Case (SOC).▪ Monitoring and reporting against the agreed CSFs.
Governance	<ul style="list-style-type: none">▪ There was opportunity to improve the assurance and stakeholder confidence in the plan for Project Nexus.▪ Governance focused on internal stakeholders.▪ Management of risk could have been more structured and robust.	<ul style="list-style-type: none">▪ Ofgem engagement from the start▪ An integrated approach to governance, with both accountable internal and external stakeholders involved.▪ Robust governance and programme management wrapper for Project Trident.
Programme implementation	<ul style="list-style-type: none">▪ Nexus used right-to-left planning▪ Programme leadership could have been more unified around a common vision for Project Nexus.▪ Project Nexus planning could have gone further to consider market and industry readiness for the changes.▪ The joint cutover testing was appreciated by customers.	<ul style="list-style-type: none">▪ Project Trident will incorporate left-to-right planning.▪ A consistent vision for success, shared by the programme leadership team.▪ Incorporation of customer readiness within Project Trident go/no go decision stage gates.▪ Continued collaboration around Project Trident implementation and testing.
Stakeholder engagement	<ul style="list-style-type: none">▪ Reporting had opportunity to be more customer-focused and standardized.▪ There was an opportunity to include further change planning and management to support, alongside the project delivery activity with Nexus.▪ Customers found Project Nexus system changes were directive, and customer impacts were unknown.▪ There was an opportunity to further communicate and engage to build trust with stakeholders.	<ul style="list-style-type: none">▪ Greater consideration of other industry change programmes when planning Project Trident.▪ One of our critical success factors is to minimize customer impact of the change, and to look into buffering customer impact by considering the different layers of UK Link.▪ A stakeholder engagement plan from business case development to implementation, with clearly segmented customer groups.