



Making a positive difference
for energy consumers

All holders of a gas or electricity
supply licence, Distribution
Network Operators and Gas
Transporters, Smart DCC
Limited, the Retail Energy Code
Company, and all parties
interested in or impacted by
Retail Code Consolidation

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Dear Colleague,

Designation for Retail Code Consolidation: 1 September 2021

Ofgem¹ has designated "Retail Code Consolidation", as referred to in the Retail Energy Code (REC); the Retail Code Consolidation Significant Code Review modification decisions listed below; and the licence modification decision notices listed below, as taking effect from 00:01 hours on 1 September 2021.

Background

The energy code landscape is complex and fragmented, making it difficult for market participants to understand and navigate code change processes. Code consolidation will help simplify and make it easier for them to understand their responsibilities and comply with their obligations. The creation of the REC as a dual fuel retail code will support the introduction of faster and more reliable switching through a centralised switching service. It will also help with efficient management and delivery of code change, supporting innovation, lowering costs and achieving better outcomes for consumers.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

In November 2019, we launched the Retail Code Consolidation Significant Code Review (RCC SCR).² Our RCC SCR has the objective of rationalising retail energy codes by closing down the electricity Master Registration Agreement (MRA) and gas Supply Point Administration Agreement (SPAA) and consolidating their requirements into the REC or another appropriate industry code. The REC will also bring together a number of other codes and codes of practice for metering and Green Deal provisions, facilitated by the making of consequential changes to other codes.

The REC is being developed in phases. Since the designation of Version 1.0 of the REC in February 2019³ and our launch statement in November 2019, the REC has been revised to make changes needed to facilitate energy theft consolidation.⁴ Version 2.0 of the REC (REC v2.0) will take a significant step forward in code consolidation and will be implemented through the Ofgem Switching Programme governance, in accordance with Version 1.1 of the REC.

Retail Code Consolidation

Retail Code Consolidation will be implemented using a number of regulatory tools:

- Implementation of REC v2.0 via Ofgem's Switching Programme governance,
- Modifications to energy licences to reflect the new codes landscape, and
- Modifications to other energy codes to reflect the new codes landscape and consolidate retail provisions in the REC.

REC v2.0

Ofgem approved CR-D092 and CR-D099 in July 2021,⁵ which baselined the 'Category 1' and 'Category 2' documents that will form the REC Baseline from 1 September 2021. These change requests were raised by the Retail Energy Code Company (RECCo), considered by the Regulatory Design User Group, and approved by the Regulatory Group, in accordance with the Switching Programme governance processes and v1.1 of the REC.

The REC Interpretation Schedule states that Retail Code Consolidation "means the consolidation of provisions from the MRA and the SPAA and certain provisions from other Energy Codes into this Code, at the time designated by the Authority as referred to in the Transition Schedule." On 1 September 2021, when CR-D092 and CR-D099 are

² The [RCC SCR launch statement](#) is on the Ofgem website.

³ The [Retail Energy Code Designation](#) is on the Ofgem website.

⁴ More information about [energy theft consolidation](#) is on the Ofgem website.

⁵ The approved REC baseline is available on the [REC website](#).

implemented, the Transition Schedule in REC v2.0 will be in effect, detailing the operational provisions for effecting the transition to the consolidated retail provisions under the REC.⁶

Licence modifications for Retail Code Consolidation

On 2 July 2021, we published and gave notice of our decision⁷ to change a number of energy licences to reflect the closure of the MRA, SPAA, Green Deal Arrangements Agreement (GDAA), Smart Meter Installation Code of Practice (SMICoP) and Meter Operation Code of Practice Agreement (MOCOPA), and the transition of provisions to the REC, or other another code where appropriate. These changes impact holders of the following licences:

- Smart Meter Communications Licence
- Standard conditions of Electricity Supply Licence
- Standard conditions of Gas Supply Licence
- Standard conditions of Gas Transporter Licence
- Standard Special Conditions part A of the Gas Transporters Licence
- Standard Special Conditions part B of the Gas Transporters Licence
- Standard Special Conditions part D of the Gas Transporters Licence
- Standard conditions of Electricity Distribution Licence

We decided⁸ that these changes would take effect from “the date of Retail Code Consolidation, which is the date to be designated by the Authority”. We have designated Retail Code Consolidation as taking effect from 00:01 hours on 1 September 2021. These licence changes will therefore take effect from that date and time.

Retail Code Consolidation Significant Code Review modifications

Throughout July 2021 we also decided to approve seven code modifications in respect of the RCC SCR. We set out our general approach to these SCR modifications in an open letter, dated 30 April 2021.⁹ Between 30 April 2021 and 21 May 2021, the Authority submitted to the relevant code bodies a suite of Authority-led proposals in respect of code modifications required to implement Retail Code Consolidation. In July 2021 we approved code modifications in the following decisions:

⁶ See Paragraph 11 of the Transition Schedule v2.0 effective from 1 September 2021.

⁷ [Decision on statutory consultation on proposals to modify licence conditions as a result of Retail Code Consolidation](#), including copies of the statutory notices, available on the Ofgem website.

⁸ See the Decision notices listed above.

⁹ [Open letter regarding the Significant Code Review modifications for Retail Code Consolidation](#), available on the Ofgem website

- Retail Code Consolidation SCR: MRA modification decision (CP 0270)¹⁰
- Retail Code Consolidation SCR: SPAA modification decision (SCP 513)¹¹
- Retail Code Consolidation SCR: DCUSA modification decision (DCP 391)¹²
- Retail Code Consolidation SCR: SEC modification decision (MP 161)¹³
- Retail Code Consolidation SCR: UNC modification decision (UNC 0768)¹⁴
- Retail Code Consolidation SCR: IGT UNC modification decision (IGT 156)¹⁵
- Retail Code Consolidation SCR: BSC modification decision (P420)¹⁶

We decided that these modifications, with the exception of SEC MP 161, would take effect from “Retail Code Consolidation” as designated by the Authority. We have now designated Retail Code Consolidation as taking effect from 00:01 hours on 1 September 2021. The code changes listed above will therefore take effect from that date and time. In respect of SEC MP 161, the implementation date for the modification is already given as 1 September 2021, as noted in our decision on that modification.

Our Decision

Ofgem hereby designates Retail Code Consolidation, as referred to in the REC; the RCC SCR modification decisions listed above; and the licence modification decision notices listed above, as taking effect from 00:01 hours on 1 September 2021.

Yours faithfully,

Rachel Clark

Deputy Director, Switching Programme

¹⁰ [Retail Code Consolidation SCR: MRA modification decision \(CP 0270\)](#)

¹¹ [Retail Code Consolidation SCR: SPAA modification decision \(SCP 513\)](#)

¹² [Retail Code Consolidation SCR: DCUSA modification decision \(DCP 391\)](#)

¹³ [Retail Code Consolidation SCR: SEC modification decision \(MP 161\)](#)

¹⁴ [Retail Code Consolidation SCR: UNC modification decision \(UNC 0768\)](#)

¹⁵ [Retail Code Consolidation SCR: IGT UNC modification decision](#)

¹⁶ [Retail Code Consolidation SCR: BSC modification decision](#)