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By email only to switchingprogramme@ofgem.gov.uk

Consultation Response: Switching Programme and Retail Code Consolidation, Proposed Licence Modifications

Dear Rachel

Thank you for the opportunity to respond to your recent consultation regarding the proposed changes to licences to introduce the Retail Energy Code (REC) and to support the faster switching programme.

We are supportive of this industry governance evolution and the reforms to the switching arrangements for customers that the faster switching programme is implementing.

We have limited our responses to the questions within chapter 2 relevant to proposed changes to the gas and electricity network standard licence conditions.

Responses to consultation questions:

Q3.1 Do you agree with the proposed standard licence condition modifications as drafted in Appendix 5 for the Electricity Distribution Licence?

Yes, although we are disappointed that this opportunity was not taken to remove some of the SLC that relate to the provision of switching services. In time we believe it will become clearer that these obligations have been superseded in the new REC/CSS environment are no longer required.

Although not directly relevant to our IDNO licences we question why SLC 37 of the Distribution Licence has not been reviewed as part of the RCC and faster switching activity. The provision of a Data Transfer Service by DNO seems at odds with the industry structure going forward. This obligation would probably be better discharged as a requirement of the REC or a part of the DCC licence to discharge. Accountability would be more aligned with the users of the service and provide greater accountability.

Q3.2 Do you agree with the proposed standard licence condition modifications as drafted in Appendix 6 (a-d) for the Gas Transporter Licence?

Yes, these seem reasonable, as with the Distribution Licence it is likely that some of the SLC may be seen in the future to be superfluous and warrant removal.

Q3.3 Do you think the change to the definition of Metering Point to remove direct reference to the codes is suitable, and do you consider there to be any risks or unintended consequences that we should take into account for our decision?

Yes, we understand the intent of the proposed change and support the motives for the suggested change. Whether the term 'unique account' is appropriately clear for the description of an electricity connection to a customer's property is debatable. But the current definition of a Metering Point is broad and includes a number of different activities. Therefore, we are comfortable with the proposed amendment.

DCC Licence: We would welcome views from stakeholders on whether this should be defined in the licence or only specified in the REC?

Defining the requirements of the DCC CSS communication arrangements would be beneficial to parties. Our preference would be to include this within the REC and make it subject to its governance processes. This would allow it to be kept up to date more readily with potential future changes to the market and services. It would remove the need to use the Licence change process which is slower and less open to parties to raise potential changes.