

Rachel Clark
Switchingprogramme@ofgem.gov.uk
Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London
E14 4PU

Electricity North West
Hartington Road, Preston,
Lancashire, PR1 8AF

Email: enquiries@enwl.co.uk
Web: www.enwl.co.uk

Direct line: 07879 115204

Email: paul.auckland@enwl.co.uk

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Dear Rachel,

Consultation on Switching Programme and Retail Code Consolidation: Proposed licence modification

Thank you for the opportunity to respond to the consultation on the Switching Programme and Retail Code Consolidation: Proposed licence modification.

Electricity North West continues to support the objectives of the Switching Programme and welcomes the ongoing dialogue with Ofgem on consequential changes to other industry codes to deliver the Switching Programme and Retail Codes Consolidation (RCC) Significant Code Reviews (SCRs).

We agree with the vast majority of Ofgem proposed Standard Licence Condition (SLC) modifications.

As discussed on the Electricity Network Association Commercial Operations Group (ENA COG) call with Ofgem on the 8 January 2021, to enable us to best assist Ofgem and meet customers' needs we would welcome further work on the following proposed SLC changes which we consider to be important modifications to our licence:

- *MPAS (ref 2) and MRA Closure (ref 20)* - We request that Ofgem and Elexon consult with Distribution Network Operators (DNOs) via the ENA COG to agree a transition plan, for making the necessary changes to the BSC SMRS governance to best facilitate the transfer of MRA obligations. We would welcome this agreement prior to the 1 September 2021 when the RCC is implemented, wherein the MRA will cease to exist and our licence is modified.
- *Metering point (ref 8) and Registered Metering Point (ref 9 and 9a)* – We would welcome an opportunity to discuss this area of development further with Ofgem and RECCo and gain clarity on what is being proposed and transparency on understanding the trigger for the amendments to the definitions of a Metering point (under SLC 1) and Registered Metering point (under SLC13C.10).

We also note, that whilst Ofgem is proposing no changes to our licence conditions in the following policy areas (*MPAS, ECOES and CES (ref 12)*) we would welcome further discussions with Ofgem regarding a new proposal to issue a derogation against the appropriate requirements under the existing powers of SLC18 and for a dual fuel enquiry service for consumers.



Attachment 1 provides our detailed responses to Question 3.1 and 3.3 which directly relate to Ofgem's proposals to modify our SLCs.

I hope these comments are helpful. The following table gives our detailed responses. Please do not hesitate to contact me or Catherine Duggan (07775 547624) if you would like to follow up on any particular aspect of our response.

Yours sincerely,

Paul Auckland
Head of Economic Regulation

Attachment 1 – ENWL detailed responses to each of the consultation questions

The following table includes our views on questions 3.1 and 3.3 of the consultation:

Ref.	Question	Response
3.1	Do you agree with the proposed standard licence condition modifications as drafted in Appendix 5 for the Electricity Distribution Licence?	<p>We agree with the following proposed standard licence condition modifications to enable the Retail Codes Consolidation which we have grouped according to their policy area and using the referencing contained in Ofgem's Appendix 1 of the consultation:</p> <ul style="list-style-type: none"> • <u>MRA Closure (ref 7, 14, 15, 17 and 21)</u> – We agree following Ofgem's decision to close down the MRA with the removal of the requirement to sign and comply with the MRA. We also agree with the removal of the reference to the MRA and replacement with the REC where applicable. • <u>MRA Closure (ref 19)</u> – We agree with the removal of the text contained in SLC35 which is replicated in SLC1 regarding the definition of 'Data Services'. • <u>MPAS/ECOES (ref 13)</u> - We agree to the removal of the reference to the MRA and replacement with the REC with the cessation of the MRA. • <u>Data Transfer Catalogue (ref 3 and 22)</u> - We agree to the updating of the DTC definition following its transfer onto the REC to reflect the REC terminology. We have recommended one additional change to this definition to fully reflect the REC terminology. • <u>Green Deal (Ref 1, 1a, 5 and 6)</u> - We agree following Ofgem's decision to close down the MRA the requirements regarding Green Deal are best transferred to the REC and as such any reference to the MRA be replaced with the REC in our licence. We also agree that as the Green Deal Charge Database is now established it is appropriate to replace the reference of 'established' in the definition with 'maintained'. • <u>Metering equipment/agent appointment (ref 18)</u> – We agree to the removal of the reference to the MRA and replacement with the REC with the cessation of the MRA. • <u>Typo/error (Ref 10, 11 and 23)</u>: We agree as these are minor housekeeping changes. <p>To enable us to best assist Ofgem and meet customers' needs we would welcome further work on the following proposed licence changes which we consider to be to be important modifications to our licence:</p> <ul style="list-style-type: none"> • <u>MPAS (ref 2) and MRA Closure (ref 20)</u> – <ul style="list-style-type: none"> - We agree regarding the removal of MRA within the definition of Data Services due to cessation of the MRA. We also, agree regarding the replacement of the reference to the MRA with the REC regarding ERDS. - We agree with the replacement of the reference to the MRA with the BSC regarding SMRS and request a clear and transparent transition and enduring plan for the appropriate updating of the BSC governance arrangements to reflect this transfer be shared. Whilst we recognise the new governance arrangements will not be implemented until REC v3.0, we request that Ofgem and Elexon consult with DNOs via the ENA COG to agree a transition plan for making the necessary changes to the BSC SMRS governance prior to the RCC go live when our licence is modified on 1 September 2021. We also support a proposal for developing the BSC SMRS governance transition arrangements in Spring 2021 after the REC v2 has closed. An issue group could be formed under the existing Supplier Volume Allocation Group (which would likely manage the majority of the SMRS change control proposals). • <u>Metering point (ref 8)</u> - We disagree with the current proposal for defining a metering point as a 'unique account' under SLC 1 which implies a new alpha/numeric identifier to an MPAN

which is at odds with the proposal under SLC13C.10. Also, we disagree with the current proposal to remove the reference to any code from this definition and instead refer to '*the industry agreed registration system*' which is an undefined term in our licence. Whereas, currently a metering point (which is a physical boundary point on our electrical network) is defined in accordance with appropriate principles and guidance as currently set out in Schedule 8 of the MRA. The 19 examples of metering configurations given in Schedule 8 are predicated on the Metering Point being a physical location on a premise which can only be changed through physical electrical work on site. In addition, there are other examples of the use of 'metering point' in our licence and the Distribution Connection and Use of System Agreement (DCUSA) where implies a physical location such as in the:

- definition of 'designated properties' (SLC 13A.6 (b) and (c))
- list of services for the Metering Point Administration Service' (SLC 18 Appendix A paragraph A2)
- definition of 'metering point' in the DCUSA
- definition of 'de-energisation works' in the DCUSA

We would welcome an opportunity to discuss this area of development further with Ofgem and RECCo and gain clarity on what is being proposed and transparency on understanding trigger for this amendment. We recommend instead as per the proposals to the definition of a Registered Metering Point that the MRA is replaced with the REC and the reference to Schedule 8 in the MRA is replaced with the appropriate relocation of the principles and guidance on metering points into the REC. We also recommend the term 'industry agreed registration system' is replaced with the '*Central Switching Service registration system*' and this becomes a defined term in the DCCs licence as the CSS provider.

- Registered Metering Point (ref 9 and 9a) – Whilst we agree with the replacement of MRA with the REC, we disagree with the current proposal to refer this to '*the industry agreed registration system*' which is an undefined term in our licence. We recommend instead this is replaced with the '*Central Switching Service registration system*' and this becomes a defined term in the DCCs licence as the CSS provider. As once the new switching arrangements have been introduced, the responsibility for managing the switching process will move to the DCC.

In terms of our requirements to offer MPAS under SLC 18, whilst our preference is for the removal of our licence obligations, we would welcome further discussions with Ofgem's new proposal to issue a derogation against the appropriate requirements under the existing powers. We believe the derogation be primarily focused on removing the requirement for the MPAS requirements of our licence being moved to the DCCs licence but also use this as an opportunity to capture those MPAS requirements being transferred from the MRA to the REC and BSC under the Retail Codes Consolidation.

We would also welcome further discussions with Ofgem, RECCo and Gas Transporters after the Retail Codes Consolidation has been implemented, regarding the Ofgem proposal for a dual fuel enquiry service for consumers. We agree with the principle that access to enquiry services is required to promote reliable and faster switching and we support the principle of enabling access to the existing data. Though we continue to think this is best achieved for customers via a central service.

3.3	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?
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No. We do not agree with the proposed changes to the definition of Metering Point for the reasons we mention in our response to Q3.1. Following our call with Ofgem via the ENA COG on 8 January 2021, we would welcome an opportunity to discuss this area of development further with Ofgem and RECCo to gain clarity on what is being proposed and transparency on understanding the trigger for the amendments to the definitions of a Metering point (under SLC 1) and Registered

Metering point (under SLC13C.10). We would also like to discuss any risks or unintended consequences and we offer our support to help RECCo on drafting the new text for the REC.