

Modification proposal:	<b>Distribution Connection and Use of System Agreement (DCUSA) DCP401 'Consequential DCUSA changes for Switching SCR (REC 3.0)' (DCP401)</b>		
Decision:	The Authority <sup>1</sup> directs that this modification be made <sup>2</sup>		
Target audience:	DCUSA Panel, Parties to the DCUSA and other interested parties		
Date of publication:	17 May 2022	Implementation date:	CSS Go-Live Date <sup>3</sup>

## Background

We launched the Switching SCR in November 2015 in order to introduce the necessary changes required to the licence and code framework for the Switching Programme.<sup>4</sup> The objective of the Switching Programme is to improve consumers' experiences of switching, leading to greater engagement in the retail energy market by designing and implementing a new switching process that is reliable, fast and cost-effective. This will build consumer confidence and facilitate competition, delivering better outcomes for consumers.

The SCR mechanism allows Ofgem to holistically manage complex changes to multiple industry codes and licence conditions. The Switching SCR will bring about significant changes to the REC as part of the Switching Programme, introducing REC version 3.0. This will support the introduction of faster and more reliable switching through a centralised switching service.

These changes to the REC will require consequential changes to be made to the DCUSA and to the other Relevant Codes to reflect the new arrangements. Our update<sup>5</sup> published

<sup>1</sup> 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.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>3</sup> CSS Go-Live Date, as defined by the Retail Energy Code, means the time and date designated as such by the Authority. The CSS Go-Live Date is currently expected to be, and will not be earlier than, 18 July 2022.

<sup>4</sup> Link [here](#) to the launch statement on the Ofgem website

<sup>5</sup> Link [here](#) to the update

on 31 January 2022 set out the proposed processes and timelines for this suite of industry code modification proposals required for REC version 3.0, including this modification to the DCUSA.

We initiated the REC code modification proposal process on 7 April 2022, which will allow for the efficient and timely implementation of REC version 3.0 by the Central Switching Service (CSS) Go-Live Date.

We raised DCUSA change proposal DCP401 on 3 February 2022 in order to reflect those new arrangements brought about by REC version 3.0 in the DCUSA, with a proposed implementation date of the CSS Go-Live Date. The CSS Go-Live Date will be confirmed by Ofgem at a later date but is currently expected to be 18 July 2022.

### **The modification proposal**

On 3 February 2022, DCUSA modification DCP401 (the proposal) was raised by Ofgem as an Authority-Led Change Proposal pursuant to Clause 11.9A of the Distribution Connection and Use of System Agreement. The proposal set out the timetable of the procedural steps for the modification as defined by the Authority, for completion by the DCUSA Panel.<sup>6</sup>

The proposal aims to make the changes that are necessary to a number of sections of the DCUSA as part of the Switching SCR, that would ensure that the DCUSA implements the End-to-End Business Process Design developed by the Switching Programme and aligns the DCUSA with REC version 3.0 from the CSS Go-Live Date. The implementation date for the proposal must be flexible and tied to the CSS Go-Live Date which will be determined and designated by Ofgem.

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<sup>6</sup> Further details about DCP401 can be found on the DCUSA website, [here](#).

## DCUSA Parties' recommendation

In each party category where votes were cast (no votes were cast in the CVA Registrant party category),<sup>7</sup> there was unanimous support for the proposal and for its proposed implementation date. In accordance with the weighted vote procedure, the recommendation to the Authority is that DCP401 is accepted. The outcome of the weighted vote is set out in the table below:

DCP401	WEIGHTED VOTING (%)							
	DNO <sup>8</sup>		IDNO/OTSO <sup>9</sup>		SUPPLIER		CVA <sup>10</sup> REGISTRANT	
	Accept	Reject	Accept	Reject	Accept	Reject	Accept	Reject
CHANGE SOLUTION	100%	0%	100%	0%	None	None	None	None
IMPLEMENTATION DATE	100%	0%	100%	0%	None	None	None	None

## Our decision

We have considered the issues raised by the modification proposal and the Change Declaration dated 22 April 2022. We have considered and taken into account the vote of the DCUSA Parties on the proposal, which was attached to the Change Declaration, as well as the wider aims of the Switching SCR. We have decided that:

- implementation of the modification proposal will better facilitate the achievement of General Objectives 2) and 4) of the DCUSA;<sup>11</sup> and
- directing that the modification is approved is consistent with our principal objective and statutory duties.<sup>12</sup>

<sup>7</sup> There are currently no gas supplier parties.

<sup>8</sup> Distribution Network Operator

<sup>9</sup> Independent Distribution Network Operator/Offshore Transmission System Operator

<sup>10</sup> Central Volume Allocation

<sup>11</sup> The Applicable DCUSA Objectives are set out in Standard Licence Condition 22.2 of the Electricity Distribution Licence.

<sup>12</sup> The Authority's statutory duties are wider than matters that the Parties must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

## **Reasons for our decision**

We agree with DCUSA parties that this modification proposal will better facilitate DCUSA General Objectives (2) and (4) and has neutral impact on the other DCUSA General Objectives.,

***Applicable DCUSA Objective (2)– the facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, distribution and purchase of electricity***

As the consequential DCUSA changes support the delivery of faster, more reliable switching, they promote effective supply competition and thereby also better facilitate the achievement of DCUSA General Objective (2).

***Applicable DCUSA Objective (4) – the promotion of efficiency in the implementation and administration of the DCUSA***

This Change Proposal will better facilitate the achievement of DCUSA General Objective (4) by ensuring that the DCUSA aligns with version 3.0 of the REC from the CSS Go-Live Date. Failure to ensure this code alignment would introduce risk to the successful delivery of Ofgem’s Switching Programme. It would also adversely impact DCUSA Parties who would be unable to use the DCUSA processes needed to support the new CSS arrangements, in turn adversely impacting consumers.

## **Decision notice**

Pursuant to and in accordance with standard licence condition 22.14 of the Electricity Distribution Licence and Clauses 13.9, 13.10 and 13.12 of the DCUSA, the Authority hereby approves and accepts Authority-Led Change Proposal DCP401 ‘Consequential DCUSA changes for Switching SCR (REC 3.0)’ (Modification DCP401) and directs that this modification be made.

Pursuant to Clause 11.9A.2 of the DCUSA, the Authority hereby directs the DCUSA Panel to implement Modification DCP401 so that it takes effect on the date that version 3.0 of the REC comes into effect, which is also the CSS Go-Live Date as defined in the REC. This

date will be determined and designated by Ofgem at a later date, and is currently expected to be 18 July 2022.

In accordance with Clause 14 of the DCUSA, the DCUSA Panel must now implement Modification DCP401 and each Party must co-operate with the Panel to the extent required to ensure that Modification DCP401 be made.

We expect this to be the last decision in respect of the DCUSA under the Switching SCR. However, if circumstances change before the end of the Switching SCR, which necessitate further Authority-led modification proposals in respect of the DCUSA, we will consult further. In due course, we will confirm when we have made our decision on the final Authority-led modification proposal under the Switching SCR and, accordingly, when the Switching SCR as a whole has ended.



**Nicola Garland**

**Head of Switching Programme**

Signed on behalf of the Authority and authorised for that purpose