

Retail Energy Code (REC): Smart Meter Installation Surveys – Microbusiness Requirements (R0267)

Decision: The Authority¹ has decided to approve² this change proposal³

Target audience: REC Board, REC Parties and other interested parties

Date of publication: 19 June 2026

Implementation date: 26 June 2026

Background

The Consolidated Metering Code of Practice (CoMCoP) requires Energy Suppliers to commission Smart Meter Installation Surveys (SMIS) using an independent third-party survey organisation for compliance purposes. For the purposes of this decision, references to a Smart Meter Installation should be read as the first Smart Meter Installation at a Premise, as set out in the Final Change Report (FCR).

For Domestic Premises, this obligation is tiered, with no obligation to commission a survey below 5,000 installations within a calendar year, a fixed annual requirement between 5,000–20,000 installations, and quarterly sampling requirements above 20,000 installations for compliance purposes. However, there is no minimum threshold in place for Microbusiness

¹References 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.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.

³ ‘Change’ and ‘modification’ are used interchangeably in this document.

installations, meaning that non-domestic Energy Suppliers are required to procure a suitably qualified, independent Smart Meter Installation Survey Organisation to survey what might be a very small number of customers, potentially as few as one installation per year. This creates a misalignment between Domestic and Microbusiness obligations and can impose disproportionate compliance costs on smaller or specialist suppliers, without a commensurate Consumer or system benefit.

The change proposal

R0267 was raised by Drax Energy Solutions Limited on 22 July 2025 and proposes amending Appendix 20 of the CoMCoP to introduce a minimum threshold of 1,000 Smart Meter Installations at Microbusiness Premises in a 12-month period before the SMIS obligation applies. Under the change proposal:

- Suppliers planning fewer than 1,000 Microbusiness installations in a 12-month period would not be required to conduct the SMIS;
- Suppliers planning between 1,000 and fewer than 5,000 Microbusiness installations in a 12-month period would use reasonable endeavours to collect survey responses and submit annual results; and
- Suppliers planning more than 5,000 Microbusiness installations in a 12-month period would continue to meet existing quarterly sampling requirements.

The change proposal mirrors the structure of existing Domestic provisions and retains the requirement to use an independent Smart Meter Installation Survey Organisation for smart meter installations of 1,000 or more at Microbusiness premises.

REC Change Panel⁴ recommendation

At its meeting on 7 April 2026, the REC Change Panel unanimously concluded that R0267 would better facilitate REC Objective (a), was neutral against the other REC Objectives, and recommended that the Authority approve the proposed solution.

Our decision

We have considered the Final Change Report (FCR) dated 7 April 2026, including the Code Manager's analysis and supporting evidence from the confidential Information Request, as well as responses to the impact assessment and the industry consultation which are attached to the FCR. We consider that;

- implementation of the change proposal will better facilitate the achievement of the applicable Objectives of the REC⁵
- approving the change is consistent with our principal objective and statutory duties⁶

Reasons for our decision

We consider that this change proposal will better facilitate REC Objective (a) and will have a neutral impact on the other relevant Objectives.

(a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement

⁴ The REC Change Panel is established and constituted pursuant to and in accordance with [Standard Condition 11B.8\(a\) of the Electricity Supply Licence](#) and [Standard Condition 11.8\(a\) of the Gas Supply Licence](#).

⁵ As set out in [Standard Condition 11B.6 of the Electricity Supply Licence](#) and [Standard Condition 11.6 of the Gas Supply Licence](#).

⁶ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 and the Gas Act 1986.

The Code Manager considers there to be a positive impact on this REC Objective, as this would result in the removal of an obligation which could disproportionately impact smaller Energy Suppliers (including new entrants), Non-Domestic Energy Suppliers who specialise in Microbusinesses, or Energy Suppliers conducting a small number of Smart Meter Installations.

We agree with the Code Manager's assessment that R0267 better facilitates REC Objective (a) by addressing disproportionality in the current arrangements. We also note that a confidential Information Request issued by the Code Manager gathered supplier data on first Smart Meter Installation volumes (split by Domestic and Microbusiness) over the previous three years and estimated survey organisation costs. This information was cross-referenced with REC Performance Assurance data on SMIS response volumes to assess the likely impact of introducing a 1,000-installation threshold. On that basis, the Code Manager estimates that the threshold would result in an overall reduction of less than 5% in SMIS responses, a level the Code Manager has discussed with the Department for Energy Security and Net Zero (DESNZ) and was not considered detrimental to the Department's monitoring. The Code Manager estimates that the change could deliver savings of around £190,000 per annum across the industry. We are satisfied that this change proposal is proportionate and maintains the integrity of Consumer insight while removing unnecessary barriers to competition and market participation, particularly for smaller and specialist Non-Domestic Suppliers.

We note concerns raised through the impact assessment about how compliance would be identified if a Supplier plans to complete fewer than 1,000 Microbusiness installations but subsequently exceeds that threshold. We note that compliance is subject to the CoMCoP audit undertaken by the Metering Scheme Auditor, which can require Suppliers to evidence that required surveys for the relevant period were carried out and submitted in line with the

Code requirements. We consider that this control is appropriate, and any instances of non-compliance can be addressed through industry mechanisms.

We note that a respondent to the industry consultation queried how Energy Suppliers are expected to manage their survey obligations if they plan to carry out around 800 Microbusiness installations in a year but then exceed the 1,000 threshold. In practice, where a Supplier's planned volumes are below the threshold but installation volumes later exceed 1,000 within the relevant period, we consider it appropriate for the Supplier to take reasonable endeavours to obtain and submit survey responses for installations carried out during that period, recognising that it may not be possible to obtain responses for every earlier installation. In such cases, we would expect Suppliers to take action at the earliest opportunity to conduct these surveys to ensure consumer recollection is as accurate as possible.

In reaching our decision, we have weighed the expected reduction in survey coverage against the benefits of removing disproportionate costs for smaller and specialist suppliers. We consider that the change proposal strikes an appropriate balance and is proportionate, by aligning with the current requirements for Domestic Premises. In addition, we agree with the Code Manager that the risk of surplus spend in situations where Energy Suppliers planned to do 1,000 Microbusiness Smart Meter Installations but end up doing less is minimal. Under the current arrangements, we note that Energy Suppliers would be commissioning this survey even if they only planned one installation. We therefore consider that the change proposal would not exacerbate this position.

Decision notice

In accordance with Standard Condition 11B of the Electricity Supply Licence and Standard Condition 11 of the Gas Supply Licence, the Authority hereby approves REC Change Proposal R0267: Smart Meter Installation Surveys – Microbusiness Requirements.

Scott McPhillimy

Senior Policy Manager

Signed on behalf of the Authority and authorised for that purpose