ofgem

Making a positive difference
for energy consumers

Retail Energy Code (REC) R0207: Import / Export MOA Charging Clarification

Decision:	The Authority[1] has decided to approve[2] this change proposal[3]
Target audience:	REC Board, REC Parties and other interested parties
Date of publication:	07 August 2026
Implementation date:	Next standard REC release following Authority approval, provided at least 3 months' notice between approval and implementation

Background

Historically, Suppliers appointed as Export[4] Suppliers have faced challenges due to the lack of flexibility in appointing Meter Operator Agents (MOAs)[5]. Unlike Suppliers appointed as Import[6] Suppliers, who can choose their MOA based on competitive rates and service quality, Export Suppliers have an obligation under REC Schedule 14 Metering Operations[7] to accept the MOA appointed by the Import Supplier. This lack of choice may lead to inflated charges and a possible lack of engagement between the import appointed MOA and the Export Supplier, ultimately disadvantaging Export Suppliers and potentially impacting consumers through higher pass-through charges or lower than anticipated export rates for the energy the consumer has exported.

[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.
[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.
[4] Export means electricity which is exported from a Premises as defined in REC Schedule 1 - Interpretations and Definitions
[5] Meter Operator Agents as defined in REC Schedule 9 - Qualification and Maintenance
[6] Import means electricity which is imported to a Premises as defined in REC Schedule 1 - Interpretations and Definitions
[7] REC Schedule 14 Metering Operations paragraph 2.4

With the implementation of the Market-wide Half Hourly Settlement (MHHS) Programme, which aims to modernise and improve the accuracy of electricity settlement processes, MOAs will be automatically appointed by the registration service for export Meter Point Administration Numbers (MPANs), eliminating the option for MOAs to reject appointments due to lack of contracts.

However, under both current arrangements and the future MHHS arrangements, there is no requirement for the Import Supplier appointed MOA to enter into a commercial contract with the Export Supplier. MOAs are free to set the rates by which they charge Export Suppliers for their services, which may be equal to or higher than the charges for Import Suppliers. Export Suppliers may have no choice but to agree to these rates or face out-of-contract prices if they are unable to negotiate a more favourable rate with the MOA. It is also possible for a MOA to charge lower rates to Export Suppliers, freely or through a negotiated commercial contract, compared to their charges for an Import Supplier. A previous version of modification R0207 sought to address this issue by requiring MOAs, so far as reasonably practicable, to treat all Suppliers in the same manner as regards costs charged for the same type of service.

On 30 May 2025, the Authority sent back[8] the R0207 change proposal because we were unable to form an opinion on it based on the Final Change Report as submitted. We directed that additional steps be undertaken to address the deficiencies we identified and that a revised Final Change Report should:

- consider how any solution could be implemented while avoiding the need for any party to disclose details of confidential commercial agreements;

[8] Decision to send back Retail Energy Code modification R0207: Import and Export MOA Clarification | Ofgem

- address the risks associated with REC bodies potentially arbitrating commercial disputes or making decisions about the content of commercial agreements between parties;
- ensure that, so far as reasonably practicable, any solution promotes competition and protects the interests of consumers, particularly in relation to pass-through charges.

The change proposal

Following our send-back letter, the Code Manager convened a working group and developed a revised solution focused on the minimum services that a MOA must already provide in MHHS arrangements for Associated Import and Associated Export Metering Points. The revised proposal takes a different approach from the earlier version. Rather than attempting to regulate or compare the prices charged by MOAs, it defines a limited set of Basic Associated Export MOA Services that a MOA must provide where it is appointed for an Associated Import Metering Point that has migrated to MHHS and is therefore also appointed for the Associated Export Metering Point.

The revised proposal therefore distinguishes between basic services, which are limited to core appointment and meter information activities required under the REC, and additional services, such as physical site visits, bespoke products or other commercial services, which remain subject to bilateral negotiation between the Export Supplier and the MOA.

- The proposal applies only to MHHS migrated Associated Export Metering Points, not to export-only sites or non-MHHS arrangements.
- The relevant MOA must provide defined basic services, including core appointment and data synchronisation activities, without requiring direct payment or a bilateral contract with the Export Supplier.

- The proposal does not require MOAs to provide physical site visits or bespoke commercial services as part of those basic services.
- Where additional services are required, the Export Supplier and MOA remain free to enter into a bilateral agreement.
- The proposal also requires MOAs and Export Suppliers to provide operational contacts to support resolution of issues relating to the basic services.

In simple terms, the revised proposal seeks to remove the need for Export Suppliers to negotiate separate contracts merely to receive the minimum export related services that flow from MHHS linked appointments, while preserving scope for competitive bilateral arrangements for any additional services. The Code Manager, as the proposer, considers that this better facilitates REC Objectives (a) and (c), with a neutral effect on REC Objective (b).

Impact assessment and consultation

The Code Manager carried out a Party impact assessment between 14 November 2025 and 5 December 2025 and received seven responses. Most respondents supported the intent of the revised proposal and six of the seven respondents agreed that the proposal addressed the problem statement. The impact assessment also identified relevant residual issues, including the treatment of metering works and site visits, potential cost redistribution between Export and Import Suppliers, implementation lead time, and the need for clear operational routes where there is no direct contractual relationship between the Export Supplier and the MOA. We consider that the Code Manager responded appropriately to those points. The proposal was refined to make clear that the obligation applies only to MHHS migrated Associated Export Metering Points, that export only Metering Points are outside scope, and that physical site visits and bespoke commercial services are not included within the Basic Associated Export MOA Services. The addition of an operational contact requirement also provides a practical mitigation for day-to-day issues that may arise where an Export Supplier receives basic services from an MOA with which it does not otherwise have a bilateral contract.

A consultation was issued on 10 April 2026 and received four responses. All respondents supported the proposed solution and its progression to Authority determination. The consultation responses also support the Code Manager's assessment of consumer and competition impacts. Respondents generally agreed that the proposal would clarify minimum MOA obligations, reduce the risk of unfair or inflated charging for unavoidable basic services, and support greater consistency and efficiency in associated export arrangements. One respondent was unsure about the cost impact and noted that system, contractual and process changes may be required. However, no respondent provided evidence that costs would be material or that the proposal would create a direct adverse consumer impact. We therefore consider the evidence supports the conclusion that any implementation or operational costs are likely to be limited and proportionate to the benefits of the change.

We recognise that implementation timing was the main area of disagreement in the consultation. Three of the four respondents supported implementation in the next standard REC release following Authority approval, provided that at least three months' notice is given. One respondent considered that more time may be needed to allow agents to develop cost allocation arrangements and engage with suppliers or customers but did not oppose the substance of the change or identify a specific alternative minimum period. On balance, we are satisfied that the proposed implementation approach is reasonable, noting the limited and clarified scope of the obligation, the absence of central system changes, and the need to address the identified contracting and charging risk in a timely way.

Some consultation responses also identified issues that sit beyond the targeted scope of R0207, including the coordination of metering works, site visits, safety related observations made during visits, and the longer term question of whether Export Suppliers should have greater choice over MOA appointment. We agree that these are relevant wider issues for industry consideration. However, they do not undermine the case for approving this proposal. R0207 is deliberately limited to Basic Associated Export MOA Services in MHHS-linked import/export scenarios, and broader operational questions are more appropriately considered through separate industry work, including the review of export meter work arrangements.

Responsible Committee[9]

At its meeting on 10 June 2026, the REC Metering Expert Panel unanimously agreed, in line with the Code Manager recommendation, to recommend:

- that the Authority approve R0207,
- approve the proposed implementation date of the next standard REC release following Authority approval, provided at least 3 months' notice is given, and
- approve implementation on a big bang basis.

The Panel unanimously considered that the revised proposal better facilitated the relevant REC Objectives (a) and (c), and had a neutral impact on Objective (b).

Our decision

We have considered the issues raised by the change proposal and the Final Change Report dated June 2026. We have considered and taken into account the stakeholder responses to the impact assessment and consultation attached to that report. We have concluded that:

---

[9] The *Responsible Committee* is established and constituted pursuant to and in accordance with the REC.

- implementation of the change proposal will better facilitate the achievement of the applicable Objectives of the REC; and
- approving the change is consistent with our principal objective and statutory duties.

Reasons for our decision

We consider that R0207 better facilitates REC Objectives (a) and (c) and has a neutral impact on Objective (b).

We are satisfied that the revised proposal is clear in scope and effect. It limits the Basic Associated Export MOA Services to specified provisions in the MHHS part of the Metering Operations Schedule, excludes physical site visits, and clarifies that export-only Metering Points are outside scope. It also preserves the ability of MOAs and Export Suppliers to negotiate bilateral arrangements for any additional services. This means the proposal addresses the immediate problem created by the auto-appointment in MHHS without attempting to determine wider commercial arrangements or resolve the broader question of long-term Export Supplier choice of MOA.

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

We consider the proposal positively supports REC Objective (a). The revised solution improves the operation of the REC by setting out a clear and enforceable baseline for the Basic Associated Export MOA Services that follow from MHHS linked import/export appointments. It removes a practical barrier faced by Export Suppliers, namely the need to have or negotiate contracts with all possible MOAs simply to receive essential associated export services. It also addresses the original risk of uncompetitive charging for those minimum services by providing that they must be delivered without direct payment or a bilateral contract in the defined MHHS scenario. Stakeholder evidence supports that this is a pragmatic improvement on the previous version, and we note that both the consultation responses and the Responsible Committee recommendation were supportive.

In particular, the revised proposal no longer seeks to impose or police a broad requirement that MOAs charge all Suppliers on the same basis. In our send back letter, we explained that the earlier approach relied on comparisons with DNO charging arrangements that were not appropriate, would have required scrutiny of confidential commercial terms, and did not identify a credible REC-based mechanism for resolving disputes about whether charges were fair. The updated solution avoids those concerns by moving away from price regulation and instead defining a limited set of basic services that the appointed MOA must provide in MHHS arrangements without a separate export contract.

The revised proposal also limits the obligation to MHHS migrated Associated Export Metering Points where the MOA is appointed through the associated import appointment process, and excludes export only arrangements and requests for physical site visits. We consider this important because it confines the change to the specific issue created by MHHS auto-appointment and avoids extending REC governance into wider commercial services that should remain subject to bilateral negotiation.

(c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructure it governs

We consider the proposal positively supports REC Objective (c). The revised solution promotes operational efficiency by clarifying what the appointed MOA must do in respect of associated export arrangements, improving consistency in the provision of core appointment and meter information services, and reducing the risk of avoidable friction where there is no direct contract between the Export Supplier and the MOA. This should support more reliable data flows and clearer accountability in the MHHS environment.

The operational contact requirement should also support timely issue resolution and clearer communication between MOAs and Export Suppliers. These changes should reduce inefficient bilateral contracting and operational workarounds for basic associated export services, without preventing parties from agreeing additional services where those are needed.

We recognise that some respondents raised concerns about metering works, site visits, Export Supplier choice of MOA and the potential for cost redistribution. We do not consider such concerns to outweigh the case for approval. The resubmitted proposal mitigates the risk of inflated charges for unavoidable basic services and is expected to have limited consumer impact because those services align with activities already required to support MHHS-linked appointments. Any broader issues relating to physical works, fault resolution, site visits or future MOA choice are outside the scope of this targeted change and may require separate industry work.

We therefore view R0207 as a proportionate interim improvement rather than a complete solution to all issues associated with export metering arrangements. The proposal resolves a discrete charging and contracting risk arising from the MHHS linked appointment model, while preserving the ability for wider issues such as responsibility for metering works, escalation routes and any longer-term review of Export Supplier MOA choice to be considered separately.

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 R0207: Import / Export MOA Charging Clarification.

Heather Stewart

Deputy Director, Retail Smart Systems and Processes - Retail Pricing and Systems

Signed on behalf of the Authority and authorised for that purpose