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Dear Rachel,

# DELIVERING FASTER AND MORE RELIABLE SWITCHING: PROPOSED NEW SWITCHING ARRANGEMENTS

Thank you for the opportunity to respond to your consultation on the Proposed New Switching Arrangements. We have responded to a number of your specific questions in the attached Annex and outline below the key points we wish to make.

Gemserv is ready for change and has over the past few years been actively engaging in the debate for a positive transformation. Our thought leadership on codes and their governance has articulated how that change might come about and we have been strong advocates for a transition towards code consolidation, not for its own sake, but as a means to deliver benefits for the industry and its customers.

This not just about 'words', but taking real and progressive action as necessary. This is why we entered into a collaboration with Xoserve to help support delivery of a Market Intelligence Service (MIS), which we anticipate will make a key contribution to the reliability quotient of the switching process. We look forward to working with Ofgem and our industry stakeholders to realise that vision.

Similarly, with respect to the Retail Energy Code (REC), we are firmly of the view that this should not be held back by established thinking or ways of working.

# Considered approach in design and delivery

The proposed new switching arrangements must represent 'good value' for customers and address researched and evidenced customer issues and needs. The design of the arrangements should be given full and due consideration, remedy the currently identified issues and not close out future needs; for example, multiple suppliers may in future have a relationship with an individual consumer. This applies to both systems and the governance model.

The ways in which the Central Switching System (CSS) and other facets of the systems architecture can be delivered should be thoroughly examined. Can existing systems be used and adapted (UKLINK or MPAS/ ECOES) or is new the best option? Would it be better to extend an existing communication network or procure another one? It is important that if procurement is the method chosen to compare and evaluate offerings, that existing stakeholders are able to participate, that the participant 'playing field' is level and procurement criteria are determined and considered in this context.



The Retail Energy Code (REC) needs similar and thorough consideration to ensure the delivery of a truly dynamic, adaptable and accessible code. It is important to deliver sufficient and pertinent levels of direction to ensure reliable and consistent interoperability for all parties (large and small) and smooth switches for customers. We have the opportunity to take the time, design it well and deliver a new dual fuel code that is markedly different and that makes customers the central focus and at the fore-front of all governance considerations.

With the introduction of the government's Price Cap, there will be a likely impact on the benefits case for the programme. Catherine Waddams, suggests "An effective price cap would lower the highest prices, but it would also limit the "headroom" for new firms to undercut prices. So while a cap can lower the price for some consumers, it may reduce competition". A proper and thorough examination will be needed to ensure that the solution (systems and governance) continues to give 'good value for money' and truly delivers for customers.

Market monitoring, good governance and incentive design

To ensure that customers and parties are protected, the design and specification of market monitoring, code governance and the incentives model is crucial to ensure the market works optimally and to realise the benefits for customers. We believe that this must be designed and built into the complete (system and code) solution from the beginning and not retrospectively by reviewing complaint issues and responding reactively for example.

Features such as the consumer benefitting annulment function can be abused, but this should not be a reason not to provide them. Instead, continual monitoring and the right incentives through governance and possible sanctions, should provide stakeholders with the reassurance that is needed.

Likewise, general monitoring statistics if funded and provided centrally, and integrated into the model from go-live, will provide the necessary statistics to provide the assurance that the market is functioning well. The statistics would provide comparators, as the base criteria are not just similar but exactly the same. Performance statistics provided by stakeholders based on individual and slightly different criteria, erode the comparison possibilities and value.

Role of the Data Communications Company (DCC)

We have noted that the option for the DCC to procure or provide services is being put forward increasingly as part of the solution. We believe that the incentives model of any decision maker in such scenarios, should be tested prior to giving it the responsibility, to ensure that the outcomes are optimal for the industry as a whole.

So, for example, where the decision maker is not impacted by the decision itself, what are the motivating factors for the decision maker in making that decision? Likewise, where the decision maker is impacted by the decision, how can the industry be assured that the outcome will be optimal for the industry as a whole?

There are indicators that the DCC is performing sub-optimally in terms of the Smart programme<sup>2</sup>. We believe that the work of one programme could detract from the work of the other. Both programmes are significant to the energy sector and this reliance and the importance of the DCC's role, needs to be emphasised in governance. Consequently, if the DCC continues to dominate the Switching Programme in terms of its role, the right incentives also need to be applied when giving the DCC any formal requirements to deliver, thereby ensuring its diligence in obtaining optimal industry outcomes.

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<sup>&</sup>lt;sup>1</sup> 'An energy price cap could kill competition – here's a better idea' Catherine Waddams, Competition Policy Blog, University of East Anglia

<sup>&</sup>lt;sup>2</sup> DCC Price Control Consultation: Regulatory Year 2016/17



We hope you find our comments useful. If you have any comments or questions about this, please let me know as I am very happy to expand and discuss these further with you.

Yours sincerely,

Anne Jackson
Principal Consultant, Transformation



### **ANNEX 1**

## **CHAPTER: Two - Impact Assessment Summary**

Question 1: Do you agree with our assessment that RP2a provides the best value option to reform the switching arrangements for consumers and with the supporting analysis presented in this consultation and the accompanying IA?

Based on the information laid out in the consultation, we believe that RP2a provides the best value option. However, we believe that consideration of the impact of the recently announced government policy to cap the price of default and standard variable tariffs³ must be added to the analysis. Economic experts indicate that tariff price differentials are likely to be eroded⁴ thereby impacting the benefits case and ultimately a customer's decision to switch, regardless of the ease and reliability of the process to do so.

We believe that the speed of the governance transition, in which certainty will be needed before parties begin their system builds, is an area of concern. The speed of the programme is challenging and though possibly achievable, the risk is that there will be a reduction in quality (of delivery, design or reliability).

#### CHAPTER: Three – Preferred reform package design RP2a

Question 2: Do you agree that CSS should include an annulment feature which losing suppliers can use to prevent erroneous switches? Please provide evidence alongside your response. If you are a supplier, please support your answer with an estimate of the number of occasions over the past 12 months when you might have used such a feature had it been available. Delivering Faster and More Reliable Switching: proposed new switching arrangements

Gemserv are supportive of the annulment feature, but believe that performance monitoring and strong governance measures must be introduced at the same time to assure the industry of its appropriate use.

This feature is particularly helpful when a customer has no knowledge that a switch is underway and they have been alerted to this by a 'sorry you are leaving' message from their current supplier. The customer, not knowing what has initiated the switch or who the new supplier is, is likely to contact their existing supplier to discover more.

With the annulment feature the existing supplier can halt the process immediately without further stress to the customer and crucially before an erroneous transfer occurs. This is the scenario that most often occurs following the identification of the wrong MPxN for the customer. The new supplier has a legitimate and valid contract with a customer, but the customer's premise has been wrongly identified and the new supplier attempts to switch the wrong premise, impacting another unsuspecting customer.

We are pleased to see that some features are being added specifically to prevent erroneous transfers and hope a reduction in instances is observed. However, we do not think they will be eradicated and

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<sup>&</sup>lt;sup>3</sup> Draft Tariff Cap Bill published by government

<sup>&</sup>lt;sup>4</sup> 'An energy price cap could kill competition – here's a better idea' Catherine Waddams, Competition Policy Blog, University of East Anglia



in addition, we suggest that governance is improved in the REC to ensure that where address data quality issues are found to be the cause of any erroneous transfer, that the data issue or failing is remedied immediately to ensure there is never a repeat incident for the premises involved.

Question 3: Do you agree that CSS should always invite the losing supplier to raise an objection, even where the Change of Occupancy (CoO) indicator had been set by the gaining supplier? If you are a supplier, please support your answer with evidence of the number of times in the past 12 months that you have raised an objection where the Change of Tenancy (CoT) flag had been set.

Yes, we agree.

Domestic and non-domestic customers may attempt to avoid debts and charges that may occur when severing contracts, they have signed up to. Any costs incurred by suppliers will ultimately find their way back to all customers, which is detrimental and needs to be balanced against the likelihood of a supplier wrongly objecting to a genuine CoO. Gemserv are therefore supportive of a supplier always being invited to raise an objection.

We understand from anecdotal information provided by code parties in meetings managed by and attended by Gemserv for the codes we administer (the Master Registration Agreement (MRA) and the independent Gas Transporters Uniform Network Code (iGT UNC)), that the Change of Occupancy (CoO) flag can be abused both by suppliers and customers. Nonetheless, it is important to appreciate that there are two parties involved: the supplier objecting and the one setting the COO flag to prevent the objection. By removing the opportunity to object (within the system), i.e. preventing this supplier from making a mistake, it still allows the other supplier to incorrectly set the CoO - mistakes can still be made. Thereby making the assumption that the CoO setter is always correct.

When setting the CoO flag or raising an objection, suppliers must be able to evidence their level of confidence when doing so. This may require a thoroughness in checking that customers are genuinely a new occupier, and when objecting (and in particular when the CoO flag is set) suppliers must have strong evidence that the flag has been set erroneously. Both must be achieved via appropriate governance.

Question 4: Do you agree that use of the annulment and CoO features should be backed by a strong performance assurance regime? Please comment on ways in which such a regime could be made most effective, and back up your response with evidence.

There is a very serious possibility of abuse of both these facilities and Gemserv believe that very robust governance with appropriate consequences will be required.

Industry monitoring of the CSS and associated processes should be built into the management statistics for use by any performance assurance function from the start. It would facilitate the monitoring of processes and the performance of all parties including the CSS.

As performance statistics could provide clues to commercial and innovative approaches and practices by parties, they should be reviewed by independent reviewers. Gemserv believe that code administrators / managers could play a role in this, perhaps by following and applying guidance laid out within the REC.



We believe performance monitoring should be more general in terms of the 'health' of a process. Use can then be made of comparators to see those parties that are outliers.

For example, the statistics should facilitate the observation of:

- Parties use of the annulment facility
- Parties use of the change of occupancy (CoO) flag
- Parties who object when the CoO flag is set.

Analysis can be conducted to understand the impact of such behaviours, before asking for explanations from the relevant party about the observations if the behaviour is considered to have a detrimental impact on other parties and / or customers.

Gemserv expect there to be a general principle that suppliers who use the objection, annulment or CoO facilities will be able to demonstrate rigour in their processes. So they will be able to demonstrate how they determine the validity of the customer's explanation (leading to the use of annulment) or assertion of change of occupancy, for example. We would expect them to be able to support an audit of them should it be required.

The performance assurance regime can be set up under and within the new Retail Energy Code (REC) and all monitoring statistics provided into that regime. Currently, the codes approach to assurance is inconsistent, with little ability or power to address poor performance and ultimately change behaviours. The challenge for the REC will be to:

- Determine an incentive / sanctions regime that will work for parties in all markets and of all sizes.
- Obtain the evidence and proof that is sufficient to apply that regime, without fear of appeal or legal action.
- Prevent parties from commercially deciding to continue their bad behaviour.

Compliance requirements need to be fully justified in terms of their purpose as well as the problem they are seeking to resolve / avoid occurring.

It is important that parties are allowed to compete in terms of their service and not be forced to the same service levels. If there is a concern that parties should meet a minimum standard for the benefit of consumers, we believe that this will be considered by Ofgem through the licence regime.

With the REC, we have the opportunity to restrike the code governance balance to achieve the interoperability and flexibility the market needs for the future. The task should not be considered lightly and with undue haste. Currently, parties are moving into the world of principles regulation for licensing and we suggest that the approach to code governance may need a similar cultural shift.

### CHAPTER: Four - Communications Network

Question 5: Do you agree with our proposal to require DCC to competitively procure the communications network capability required to deliver the new switching arrangements?

Gemserv support the principle of competitive procurement to obtain low cost and efficient services.

As many of the existing systems (MPAS, UKLINK, ECOES, DES) will be retained in the proposed infrastructure, their communication networks will also remain. So, procuring a new communications network for the new switching arrangements may lead to the use of an additional communications network over and above those already in use.



We are also interested in where the incentives will come from for the DCC to be diligent in its duties whilst fulfilling this procurement role, as a poor decision is unlikely to impact it in terms of service or cost. We believe that an independent procurement company employed by a code(s) might be more appropriate, bringing the control of the process closer to the stakeholders that will be impacted by the decision.

As a general point, given that existing industry assets have already benefited from significant investment over the years, and more recently in a number of cases, it would be prudent to ensure these were fully examined as potential solution candidates for central switching services.

We believe that the procurement criteria must allow for the communications networks that are already in use to be put forward in that process and to be assured that all are judged as if on a level playing field. There may also have to be some consideration to ownership models or the vires of some companies to ensure there are no cross-subsidies and that all bidders are compared equitably. For example, some companies providing services were set up as vehicles to provide very specific services and generally for a single fuel. As the central switching services will be dual fuel, many of these vehicles will have to consider how they might finance a bid for work outside their remit and, if a 'not for profit' organisation, efficiently determine a budget for the procurement effort, when there is no obvious risk to the organisation if the bid fails.

We have a concern that as data protection legislation has evolved over time, the industry has not demonstrably revisited and reviewed existing processes and procedures for the changes made. We believe the data security implications are generally well considered, but that data protection issues, such as who can see data, why is it necessary for anyone to see it and how long it is kept, have not been given sufficient consideration. Data protection design principals should be embedded now to ensure that lack of consideration of these issues now does not hold back the industry in the future.

As a data protection specialist, Gemserv believes there needs to be consideration for both data security <u>and</u> data protection. Existing services and providers should be able to evidence their understanding and compliance, as part of the procurement process. This is particularly important and pertinent as the energy developments of the future and the onset of smart metering will have data at their heart. The application of data protection principles is more difficult retrospectively and the industry needs to make a step change in its attitudes to data protection principles as it moves forward.

## CHAPTER: Five - Switch Speed and Regulatory Requirements

Question 6: Do you agree with our proposal to have a three-month transition window (aiming to protect reliability) during which time suppliers have to meet additional requirements if switching in less than five working days? Please support your answer with evidence.

In principle, we agree that it would be prudent to reduce the implementation risk by starting with a three-month transition window. However, we are struggling with what this means practically for suppliers and have concerns about additional customer confusion.

Ofgem's expectation is that suppliers will act as if it is a next day switch albeit that the switch happens in 5 days for a period of 3 months.

This step change in switching speed will lead to suppliers reviewing their 'farewell' and 'onboarding' processes and they are likely to differ from those adopted today. So, for example the 'sorry to see you are going' message sent prior to a switch might become the 'sorry you have left us' message after the switch.



What is being demonstrated is that the three-month phase may not allow suppliers to bed in 'next working day' switching, as their 'customer facing' processes will have to reflect the reality of the actual process at the time. In a 5 day switch, suppliers are more likely to make contact with customers and be able to act prior to the switch to remedy issues. The reality is that with a next day switch that will not be possible.

This will increase costs for suppliers through successive revisions to systems, operational processes, training, customer communication and websites for example. All will be put in place for a period of 12 weeks only, before all are revisited for the new timings.

Price Comparison Websites (PCW's) will have similar issues, i.e. changes to process, messaging to customers etc. for a 3 month transitional period with a 5 day switch. Further, we question how a PCW might compare like with like if suppliers adopt different approaches? Has the impact on PCW's been fully explored?

The impact on customers is another important consideration. Those who are familiar with the switching process will be expecting the 'usual 3 week' window. However, unless they specify a switch date the whole process could be over within 2 days, which may be a shock. How will customers be informed about the change to the 'normal routine' and that for 3 months it will be a 5 day window before moving to the end of the next working day?

We would support further analysis of this proposal, so that the implications are fully identified. We also question whether 12 weeks would be sufficient to statistically verify that any process is 'sound' where the impacts on customers should be the main consideration. It would be unfortunate if this all leads to customer confusion, a further delivery challenge for PCW's and suppliers, and ultimately to customer disengagement.

Question 7: Do you agree with our proposal to change the requirement on speed of switching to require switches to be completed within five working days of the contract being entered into (subject to appropriate exceptions)? Please support your answer with evidence.

In principle, we agree that it is helpful to set out the speed of switching requirement and at what point the 'clock' starts ticking. However, whether this should be set from the point the contract is entered into may be missing what is perhaps of greater value to customers, i.e. meeting their expectation in terms of timing of the switch and reliability. We believe this is where the focus of incentives needs to apply.

We should consider that we do not yet understand how customers will respond to the new arrangements. It is possible that, given the choice, customers will much prefer to pick their switch date for a number of very good reasons:

- They are moving home
- They are coming to the end of a contract
- Probate aspects
- Going on holiday
- Timing of a new deal/offer

It is therefore possible that the duty to ensure a speed of switch will not focus on what matters most.

Furthermore, how has the 5 day threshold be determined – it feels rather arbitrary and lacks supporting evidence. So, for example, customer behaviour during the cooling off period might be analysed to see if there is an optimum point at which the majority of customer will not be affected if



the switch goes through. This might be four, six, eight days. Determining the right threshold co an important factor to improving reliability for customers.

Proper consideration of the threshold may also help reduce erroneous transfers. There is an argument that if the switch time does not allow time for a 'sorry you are leaving us' message and any customer response, then there will be more erroneous transfers.

Finally, there is a market / customer behaviour factor to consider. Customers are already exposed to services where they pay for quicker outcomes. For example, online merchants compete through the speed of delivery and the price of delivery, along with the price of the product as well. By unduly focusing regulatory outcomes on a 5 day period, we believe this may reduce supplier innovation and variable service offerings in a smart world. Consequently, the threshold if not justifiably set could have unintended consequences.

# CHAPTER: Eight – Regulation and Governance of the switching arrangements, including transition

# Question 8: Do you agree with our proposal to create a dual fuel REC to govern the new switching processes and related energy retail arrangements?

Gemserv supports the creation of a dual fuel REC. Ofgem's proposals marry closely with our thinking articulated in our thought leadership papers: 'Transforming Code Governance Arrangements; A way forward'5 and 'From Faster Switching to a Retail Energy Code'6, attached for your interest and convenience.

In them we advocate the consolidation of some codes. We believe that the consolidation of retail energy governance, focussing on the needs of customers and separating these from industry focussed needs such as settlements is the way forward. We believe it is important that all processes are reviewed to understand which can impact customer services and therefore which parties in the industry should fall under its governance. It would be wrong to assume that only those parties that have a direct relationship with customers should be involved.

We believe customers are expecting the same customer experience regardless of the fuel they are switching and the development of the governance for the separate fuels has worked against this aspiration. The code would be retail focussed and therefore customer focussed. Existing codes have more than a casual deference to the needs of settlements and whilst important, should not be something that defines the customer experience.

We see this as a significant and important opportunity to:

i. Consolidate all customer impacting elements in existing codes under one code with a new primary focus on customers.

1601 Thought

<sup>5</sup> Transforming Code Governance Arrangements; A way forward' <sup>Leadership Paper - Tra</sup>

1702 Thought

<sup>&</sup>lt;sup>6</sup> From Faster Switching to a Retail Energy Code Leadership Paper - Fro



- ii. Apply a Standard Code Model (referenced in our document 'Transforming Code Governance Arrangements; A way forward') making the code easy to reference and understand and determining 'the' model code, on which future codes might be based as code reform is rolled out subsequently.
- iii. Set the direction for how codes will support the energy market of the future, providing a new flexible governance solution that will adapt for innovative market solutions, changing government policy and increasing levels and complexity of data.
- iv. Utilise technology to make the code accessible and less 'dense', reducing the seeming complexity for market entrants.

We would not want these wider aspirations to be compromised by the delivery of the switching systems solution and this may happen if the magnitude of the transitional challenge is not recognised.

# Question 9: Do you agree with the proposed initial scope and ownership of the REC to be developed as part of the Switching Programme?

We believe that the initial scope is appropriate and concentrates on the system delivery. However, in terms of 'drawing the line' there should be some non-system elements that are strongly associated with customer experience at switching which should be included. So, the line maybe not be as clear cut as desired and some processes may need to be judged on their merits. We agree that wider retail processes should not be included and be included subsequently. We would therefore expect other parties, beyond suppliers, to be signatories to the REC in the future.

With regards to 'ownership' of the REC, we are unclear about what this actually means in terms of how the REC will be enacted (licensing), what responsibilities it will bring and funding. As the REC is likely to have suppliers plus other signatories ultimately, we feel further information is needed to comment further.

## Early effort might focus on:

- How best to provide the seeding funding to get the REC governance set up. Perhaps this
  might be enacted via an existing code to get things started.
- Establishing articles, director responsibilities and financial controls.
- Establishing boiler plate clauses and initial decision making rules.
- Determining the documentation standards to be applied over all documents and schedules (i.e. specifying the 'Standard Code Model').

## Subsequent effort might focus on:

- Establishing what governance needs to be in the REC for delivery of the CSS (phase1).
- Beginning budget planning and ensuring the budgetary responsibilities accurately reflect what has to be done during transition vs business as usual
- Identifying processes in scope and articulating all the impacts to all codes (existing and the REC) of each process.
- Identify work for subsequent phases.
- Establishing change management instructions
- Establishing which service contract relationships must be transitioned for phase 1.

We believe that making use of an existing governance framework (an existing code) to develop the code schedules may allow some of this work to be done in parallel. We expect some of the existing retail codes will survive beyond the first phase of the REC and delivery of the CSS.



# Question 10: Do you agree with our proposal to modify the DCC's licence, in order to extend its obligation to include the management and support of the DBT and initial live operation of the CSS?

We recognise that there is a role for the managing and supporting of the CSS as it is developed and built and that this role could be added to the responsibilities of the DCC. However, the Design, Build and Test (DBT) phase will be of considerable interest to all industry stakeholders that will be required to interact with the CSS. For this reason, we do not support the DCC (as a stakeholder itself) running and managing this phase for the industry.

The role of Programme (Project) manager needs to be performed by an independent body to ensure impartiality and proportionate consideration, accounting for the costs of all stakeholders and making decisions that are best for the industry as a whole. We suggest that the appointment could be made by the REC company, an existing code company or Ofgem.

# Question 11: Do you agree that there should be regulatory underpinning for the transitional requirements and that this should be contained in the REC?

The transitional arrangements need to be underpinned with clarity of governance. If the governance is to be the REC, then it will need be ready quite early in the process.

We are concerned that the task of producing a brand-new code has been underestimated. Examples of the development of new codes for new purposes are the SEC, the GDAA and SPAA. Based on the industry's experiences here we might expect protracted discussions, difficulty reaching agreement and expensive resourcing requirements.

These challenges existed even though in none of those cases did existing governance need to be transitioned (i.e. removed from existing codes) and placed in a new code. Existing codes will have to remain stable and fit for purpose (perhaps with short term code changes continuing) throughout and the new code (not expected to look like existing codes) will emerge alongside them. This will be very challenging, not least in the budgetary setting process and maintaining ongoing needs for different codes.

Existing code governance procedures are well honed and have proven to deliver the majority of industry change on time, to quality and budget. If this is not handled exceptionally well, there could be risk to existing reforms already underway and how these are subsequently managed. New REC procedures will need time for parties to be accustomed to. Transparency in its design and strong stakeholder engagement will therefore be essential to minimise the risk of transitioning, as well as having REC experts to hand to ensure stakeholders are fully supported throughout.

Ofgem does not seem to have considered utilising an existing code to support transitioning. Rather, it seems to have considered only permanent homes, the SEC or the REC. We believe that an existing code could speed up the process of transition developed as a 'lift and shift' schedule that can be readily moved to a procured REC. This could avoid the REC being on the critical path for the Switching Programme without compromising the ultimate design of the new REC. Indeed, additional time may well ensure that the REC can truly be a code for the future, and not rushed into operation.



# Question 12: Do you agree that we should pursue an Ofgem-led SCR process in accordance with a revised SCR scope?

Yes, we agree with this approach.

Question 13: Do you have any comments on the indicative timetable for the development of the new governance framework? Delivering Faster and More Reliable Switching: proposed new switching arrangements

We believe that the balance of attention has fallen on systems and the system design, rather than the REC and the transition from existing codes. We would like to see this addressed, to ensure that clear governance is available to provide clarity and stability through the DBT phases. Without robust and inclusive governance, we believe the system delivery could be compromised.

We believe that it will take time to properly design a new code that finds a 'new way' and sets the tone for a dynamic, multi-actor delivery model of the future, whilst retaining a focus on the needs of customers. This is an important opportunity to set the future state code design, one that we should not waste.

Ofgem's indicative timetable indicates:

- Q1 2019 Potential for governance for transitional requirements.
- Q4 2019 Final drafting of Code Mods
- Summer 2020 delivery programme ends

The plan does not indicate when baselined documents will cease to be subject to change, but potentially it could be only 6-9 months between that and delivery.

Industry parties will require advance notice of the technical details for change to ensure they can prepare and make in house system changes. Ofgem should consider providing as much notice as is possible to help stakeholder changes be properly designed and not rushed (to the detriment of switching and consumer confidence).

To speed up the process of transition, we advocate the use of an existing code; familiar change control governance, funding and rights; to house and develop the initial switching schedules. This would happen while the REC is being set up, ready to receive the schedules from the existing 'umbrella' code. Otherwise these two steps will have to be done in series rather than in parallel. We emphasise that this would be 'temporary' as we support the ultimate goal of a dual fuel REC.

For a summer 2020 delivery, timescales are tight. Any steps that can be taken to de-risk delivery should be adopted. We have explained above how, for example, the REC transition could play its part. Other steps such as the adoption of RP2a and ensuring the MIS is not on the critical path for the programme will help.