

Switching Programme and Retail Code Consolidation: Proposed changes to licences and industry codes

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We are consulting on the Retail Energy Code, its schedules, and the licence changes required to deliver faster, more reliable switching and Retail Code Consolidation. We are also consulting on the approach to the Significant Code Reviews related to bringing about faster, more reliable switching and Retail Code Consolidation, the governance of the Retail Energy Code, the timelines and approach for its delivery, as well as consequential changes to other industry codes to deliver the Switching Programme and Retail Code Consolidation. We would like views from people with an interest in the code its delivery and operation, as well as the licence changes. We particularly welcome responses from code parties, Metering Agents and parties to the Green Deal Arrangements Agreement, as well as those representing the consumer interest. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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Executive Summary

We are introducing a new Retail Energy Code (REC). This will bring together the code requirements relating to retail energy activities and it will govern the operation of faster and more reliable arrangements for consumers to switch their energy suppliers. Our vision remains that the REC should be a best-in-class industry code, putting consumer outcomes at the heart of everything it does and providing market participants with an accessible and comprehensible set of rules that are as easy as possible to understand and comply with.

We are now consulting on the REC, its schedules, its proposed governance, the approach to Significant Code Reviews to bring it about, and the timelines and approach for its delivery, as well as the licence changes and consequential changes to other industry codes to deliver the Switching Programme and retail code consolidation.

Development of the REC proposals

Previously, we developed our proposals concerning the REC over a number of stages:

- In September 2017 we first consulted¹ on a dual fuel REC that would contain transitional rules for the implementation of the Faster, More Reliable Switching Programme (Switching Programme) and would have potential to incorporate non-switching elements of the Master Registration Agreement (MRA) and Supply Point Administration Agreement (SPAA).
- In February 2018, in the Switching Programme’s Outline Business Case², we expressed our intention to introduce the REC and bring forward licence changes to supply licences to require parties to accede to it.
- In June 2018, we followed up by publishing our consultation document “Switching Programme: proposed modifications to regulation and governance”³ (referred to in this document as “the June document”) on the next level of detail for the REC. This described our vision for the REC as a best-in-class code with the consumer interest at its heart. We set out the three stages of development for the REC:
 - REC v1.0 - the transitional requirements on parties to play their part in the design, build and test phase of the Switching Programme
 - REC v2.0 - the enduring requirements to make the new switching arrangements work and provide ongoing governance
 - REC v3.0 - incorporating relevant provisions from the MRA and the SPAA, achieving Retail Code Consolidation and moving a number of other provisions from the MRA and SPAA into other codes where that provides a better fit.

At the same time, we also published a number of draft schedules for the transitional and enduring provisions of the code. (As we plan to take forward the work on the enduring requirements for switching and Retail Code Consolidation work in tandem, we will no longer refer to the three versions of the code. To distinguish the different

¹ <https://www.ofgem.gov.uk/publications-and-updates/delivering-faster-and-more-reliable-switching-proposed-new-switching-arrangements>

² <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-outline-business-case-and-blueprint-phase-decision>

³ <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-proposed-modifications-regulation-and-governance>

phases and objectives to be achieved with the REC, we will talk about transitional and enduring requirements, as well as retail code consolidation.)

- In October 2018, we published “Switching Programme: Regulation and Governance – Way Forward and Statutory Consultation on Licence Changes”⁴ (in this document referred to as “the October document”). This contained the proposed licence changes to require suppliers, distributors and the Data Communications Company (DCC) to accede to the REC. It also contained the transitional requirements that parties need to adhere to for the delivery of the Switching Programme. In order to give parties insight into the longer-term plans for the code, we also published up-to-date drafts of the enduring provisions.
- In February 2019, we published “Way forward on the development of the Retail Energy Code and retail code consolidation,”⁵ our response to policy questions we asked in the October document on the way forward for the REC and wider retail code consolidation. In that month we also designated the REC, containing the transitional requirements, brought the licence changes into effect⁶ and required parties to accede to the REC. We then appointed an interim REC Company (RECCo) board and consulted on its behalf on the first annual budget of the RECCo.⁷

Throughout we have considered consultation responses and held further discussions with stakeholders (particularly on the Regulatory Design User Group (RDUG)) and worked with experts from the industry (through the Regulatory Design Team (RDT)) to develop the enduring REC provisions and work out how Retail Code Consolidation should proceed. We would like to take this opportunity to thank stakeholders, and in particular RDT, for supporting the development of the content that is being consulted upon in this document.

We have also continued to develop the proposed governance arrangements of the REC. Our goal in this work has been to create a best-in-class, up-to-date code with governance that ensures that the code can develop quickly and flexibly to protect consumers, further their interests and stay in tune with the fast-changing retail energy market.

What are we consulting on?

REC Governance Arrangements

To provide modern, flexible and fast-paced code governance we are consulting on four key components of the RECCo:

⁴ <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-regulation-and-governance-way-forward-and-statutory-consultation-licence-modifications>

⁵ <https://www.ofgem.gov.uk/publications-and-updates/way-forward-development-retail-energy-code-and-retail-code-consolidation>

⁶ <https://www.ofgem.gov.uk/publications-and-updates/decision-and-notice-licence-modifications>

⁷ <https://www.ofgem.gov.uk/publications-and-updates/retail-energy-code-company-recco-limited-201920-budget-consultation-0>

- The RECCo Board is the most senior governance group of RECCo and has accountability for all RECCo functions as well as exercising oversight over its operations.
- The REC Manager is the executive and operational function of RECCo, assisting the board in carrying out its functions, enabling the governance and change management for the code.
- The REC Change Panel is the forum where the industry provides its input into proposed changes to code content.
- The REC Performance Assurance Board (PAB) scrutinises the performance of the REC parties against the requirements of the code, and of the REC governance groups themselves, and holds them to account, including through imposing sanctions where appropriate.

In developing these proposals, we have drawn on previous work to improve code governance, including the Competition and Market Authority's investigation. We have also stayed in touch with the developing thinking of the joint review of the codes system by BEIS and Ofgem into which many stakeholders have contributed views and ideas.⁸

REC Delivery Approach

We are setting out our intention to implement all of the REC, as well as other code and licence changes needed to implement our Retail Code Consolidation changes on 1 April 2021. This document describes our proposals to use Authority powers to designate when changes to codes and licences will subsequently take effect to implement the Switching Programme.

We provide additional information on how we will use our SCR powers to achieve this, including our intention to launch the Retail Code Consolidation SCR by the end of the year. This document also provides an update on the work that has been led by code bodies to develop the consequential changes needed to deliver Retail Code Consolidation and the Switching Programme.

REC Operational Arrangements

We are publishing the REC operational schedules and ask for views on whether they achieve the objectives of the Switching Programme and the planned Retail Code Consolidation, as well as whether they meet our design criteria:

- The REC must deliver consumer focused outcomes;
- The REC requirements must be consistent with the Switching Programme's Design Baseline 4⁹ (as modified under Switching Programme governance);
- The REC contents provide a coherent set of requirements that will support the effective operation of the retail market; and
- The REC is written in clear and accessible language that meets the needs of users.

The REC operational schedules published with this consultation document describe the requirements on parties once the new switching arrangements have gone live.

⁸ <https://www.ofgem.gov.uk/publications-and-updates/energy-codes-review>

⁹ https://www.ofgem.gov.uk/system/files/docs/2018/07/switching_programme_publication_of_design_baseline_4.pdf

Retail Code Consolidation: Operational Arrangements

We confirm our intention to deliver Retail Code Consolidation through an SCR, and consult on whether we should lead an end-to-end process to develop the required code modifications. We propose to merge most of the content of the MRA and SPAA into the REC, and do not discuss this exhaustively in this document. However, we are consulting on a number of areas currently in the MRA and SPAA, and other industry codes, which could be included in the REC or be housed elsewhere within the industry code framework. Further, we consult on options for consolidating certain industry codes of practice under the REC, and consider how to engage market participants who are not currently REC parties in the change management and performance assurance of these new areas of the REC.

Licence Changes for Switching Programme and Retail Code Consolidation

The new switching arrangements and Retail Code Consolidation require changes to the licences held by the following parties:

- Gas Suppliers
- Electricity Suppliers
- Distribution Network Operators (DNOs)
- Gas Transporters (GTs)
- Gas Shippers, and
- DCC

We set out our proposals for these licence changes and our approach to their timing. We are looking to ensure that the code provisions for the faster and more reliable switching arrangements come into force with the go-live of the new switching systems whilst complying with the lead-in times for making licence changes.

Plan for Delivery, Consultation and Stakeholder Engagement

We have detailed throughout this document various timescales related to activity that will need to take place to support implementation of the REC, other code changes, and licence changes.

We are publishing in this document a “plan on a page” for the REC activity and a summary of all planned activity between this publication and the go-live of the new code and licence arrangements, how we propose to manage stakeholder engagement throughout this period, and next steps following this consultation.

Consultation stages

We are aware that there are a number of ongoing Ofgem consultations. We are therefore allowing a twelve week period for consultations responses. In two specific areas, we would like responses within six weeks, that is by 29 July, as the timelines for further development are shorter. These are our proposals relating to the REC Manager role (Question 1.3, 1.4 and 1.5) and Meter Point Administration Service (MPAS) (Questions 4.3 and 4.4).

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document’s front page.

We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation 2016/379 (GDPR) and domestic legislation on data protection, the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 6.

If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website.
[Ofgem.gov.uk/consultations.](https://www.ofgem.gov.uk/consultations)

1. REC Governance Arrangements

Chapter Summary

Our June and October documents consulted on options for the enduring governance of the REC. Following review of those consultation responses, and discussion with stakeholders, these have developed further. Here we are setting out our latest thinking on governance. Where relevant, we are restating some of our previous proposals, in order to give a complete picture.

We are focusing on the composition, approach to appointment, role and accountability of four key governance groups:

- The RECCo Board is the most senior governance group of RECCo and has accountability for all RECCo functions as well as exercising oversight over its operations.
- The REC Manager is the executive and operational function of RECCo, assisting the board in carrying out its functions, enabling the governance and change management for the code.
- The REC Change Panel is the forum where the industry provides its input into proposed changes to code content.
- The Performance Assurance Board scrutinises the performance of the REC parties against the requirements of the code, and of the REC governance groups themselves, and holds them to account, including through imposing sanctions where appropriate.

Questions

1.1: Do you agree that the mission statement and objectives encapsulate the functions of the code, can drive activity of the governance functions and assist decision-making on changes to codes?

1.2: Do you agree with our proposals on the initial and ongoing appointment of RECCo Board Members?

1.3: Do you consider that the methodology as set out above is appropriate?

1.4: Do you have any comments on the scope of services?

1.5: Do you agree with our outline proposals on the set-up of the REC Manager?

1.6: Do you agree with our proposals on the set-up of the REC Change Panel? Do you foresee any problems with these proposals?

1.7: Do you agree with our proposals on the set-up of the PAB? Do you foresee any problems with these proposals?

1.8: Do you agree that the inclusion of the principles outlined (as included in the draft change management schedule) should address some or all of the problems associated with existing code governance?

REC Mission Statement and Objectives

- 1.1. In the June document we set out the following mission statement for the REC which would apply to the whole of the code:

“The REC will facilitate innovation, competition and cost-effective arrangements that protect and promote positive customer outcomes in the retail energy market.”

- 1.2. Following further discussions, we have slightly modified this in order to provide a clearer emphasis. We are now proposing the following:

“The REC will facilitate the efficient and effective running of the retail energy market, including its systems and processes. It will promote innovation, competition and positive customer outcomes.”

- 1.3. We also proposed a set of objectives relating to the REC. We suggest that all code changes will require triage, building upon the materiality tests currently used within codes, to include a specific assessment of the impact on consumers, innovation, competition and market stability to determine whether they are appropriate for Authority decision or not. In relation to self-governed changes we would not require voting parties to substantiate their reasons. Where a change proposal requires Authority consent or is the subject of an appeal to the Authority, an assessment of the Change Proposal against the relevant REC objectives will be included.

- 1.4. The licence modifications which we directed in December 2018 came into effect 1 February 2019 and provide following set of REC objectives.

*“a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement;
b) to ensure customers’ interests and data are protected in the operation of the REC; and,
c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs.”*

Question 1.1: Do you agree that the mission statement and objectives encapsulate the functions of the code, and will drive activity of the governance functions and assist decision-making on changes to the REC?

RECCo Board: Functions

- 1.5. We consider that the function of the RECCo Board would include but not be limited to:

- a) Overseeing the development of the REC to ensure it continues to facilitate the achievement of its mission statement.
- b) Acting as representatives of consumer interests.
- c) With input from the REC Change Panel and REC Manager, determining strategic priorities for the REC. These strategic priorities should be consistent with any overall strategic direction set by Ofgem and could take in a long-term horizon, but should be reviewed and if appropriate re-prioritised each year.

- d) Overseeing the appointment of REC Change Panel and PAB Members and managing the procurement/contract of the REC Manager. Providing scrutiny of other procurements relating to the REC that may be the responsibility of, or delegated to, the REC Manager.
- e) With input from the REC Manager, periodically reviewing the REC Change Panel and PAB composition to ensure that they remain effective and represent the right breadth of expertise and interests.
- f) Together with the REC Manager, ensuring that there is a review, at least annually, of the performance of the REC operations and code governance arrangements.
- g) Managing the resolution of relevant appeals to PAB decisions, e.g. performance remediation plans and/or application of sanctions. (Note that appeals to change proposals are expected to be submitted to the Authority). (We will consider further how to establish an appropriate degree of separation between the RECCo Board and the PAB required to make this work.)
- h) Overseeing the performance of the REC Change Panel (and/or its Members) and REC Manager with input from the PAB.
- i) Overseeing REC parties' compliance with the arrangements set out in the REC. This responsibility is likely to be devolved or delegated to the PAB and analysis carried out by the REC Manager.
- j) Ensuring RECCo is managed in accordance with its Articles of Association and Company Law.
- k) Considering the results of any audits of RECCo and monitoring the implementation by the REC Manager of any remedial actions.
- l) Proposing RECCo budgets, consulting parties and ensuring that costs are managed in accordance with the approved RECCo Budget.
- m) Reviewing draft and final versions of the RECCo Budgets, including any responses from consultation with REC parties.

RECCo Board: Appointment

1.6. In the June 2018 document we said that:

"We [...] consider that it will be important, at least in the longer term, for the RECCo Board to be of sufficient quality and appropriately empowered and resourced to act as an effective counterweight to those parties who may otherwise hold asymmetric power within the industry arrangements, protecting the interests of all REC parties. This would particularly be the case if significant contracts are in due course novated to, or otherwise struck with, RECCo."

1.7. However, we also recognised that in advance of the REC being established there was no formal mechanism to select and appoint RECCo directors. Our June 18 proposals therefore included the use of an interim board. We further suggested that these interim directors could be drawn from the existing SPAA Ltd and MRASCo Ltd boards, given the obvious overlaps in required expertise and competencies, and the fact that those individuals have already been through an industry selection process. Our June 18 proposals were broadly supported by consultation respondents. The interim RECCo Board was subsequently appointed and is now overseeing the build-up of the company's capacity, and providing immediate support to the Switching Programme.

- 1.8. We consider that the most appropriate approach to appointing an enduring board would be to task a nominations committee with identifying the RECCo’s requirements and to subsequently oversee the recruitment of suitable board members and a chair. Given the absence of independent non-executive directors on the interim RECCo Board, we propose that Ofgem will appoint the initial nominations committee, to consist of a small number of people (we envisage up to four). These individuals should contribute a variety of expertise and backgrounds, including knowledge of the various REC constituencies. It may therefore be appropriate for the initial nominations committee to include, but not be exclusively drawn from, the interim RECCo Board.
- 1.9. The appointment of a future nominations committee could either be left to the discretion of the enduring board (once it is itself appointed) or codified in a manner similar to that of Elexon following the implementation of P281 (alternative).¹⁰ We will consider the experiences of both Elexon and Xoserve, which has also recently undergone changes to its board composition and governance, together with lessons learnt from elsewhere in developing our thinking in this area.
- 1.10. We do not at this stage seek to prescribe the terms of reference for the initial nominations committee, or the process that it will follow. However, we consider that the requirements would as a minimum relate to relevant experience of, or expertise in, REC party constituencies and RECCo functions (both near term and reflecting its strategic development) along the following lines:

Table 1: Requirements for RECCo Board members

Constituency Expertise	
Large Supplier	Networks
Small Supplier	Consumer
Non-domestic supplier	Agents or non-traditional market role
Functional Expertise	
Commercial	Innovation, Disruption
IT	Finance
Legal/Governance	Strategy
Data	

- 1.11. We would note that these requirements do not necessarily translate into seats on the board; it should be possible to recruit individuals with varied backgrounds and skill sets. As part of its terms of reference, we would expect the nominations committee to have a role in identifying any gaps or desirable additions to the board’s skill set and competencies, rather than simply filling a vacancy identified by the board itself. The appropriate composition of the board may also be influenced by the extent to which RECCo is able to procure expert advisors, either as part of the REC Manager function or through other service contracts.
- 1.12. We consider that it would be sensible to ensure that RECCo Board appointments are staggered, so that the board has some continuity of experience and will not need to be

¹⁰ P281: [‘Change of BSCCo Board of Directors & Chairman’](#)

replaced in its entirety. This can be achieved by appointing board members with varying terms at the outset, or by extending the appointments of some of the board members after the initial term.

- 1.13. We have previously consulted on whether Ofgem or parties should ratify board appointments or overall board composition. Whilst we are not currently of the view that such a formal role in the appointment process is required, we do propose that Ofgem and interested parties should continue to be consulted on the requirements as part of the nominations committee's process.

RECCo Board: Accountability

- 1.14. As we set out in the June document, whilst the RECCo Board will be accountable to REC parties for the operation of the REC, we consider that there should be some additional accountability to Ofgem for delivery against its wider objectives. This accountability to Ofgem could be achieved through the provision of an annual report to Ofgem, in which the RECCo Board sets out how it has delivered its objectives for the past year, and establish its plan for the year ahead. Ofgem may choose to comment on this report, in particular if it feels that the RECCo Board is failing to deliver its objectives effectively.
- 1.15. Accountability to REC parties will be achieved through approval of the RECCo budget and any associated business plan, enabling RECCo to carry out its work programme for the year, and subsequent assessment of whether that budget and plan have been met. Failure to meet the expectations of Parties would in due course be reflected in the Directors remuneration and/or any decision on whether to re-appointment them. We also consider that it would be appropriate to set out how, in extreme cases where one or more directors has lost the confidence of REC parties, such parties may instigate the removal of those board members.

Question 1.2: Do you agree with our proposals on the initial and ongoing appointment of RECCo Board Members?

REC Manager: Functions

- 1.16. In the June document we set out certain principles which we expected to form the basis of the REC Manager's mission statement:
- Overall mission
"To identify and deliver strategic change that benefits consumers, competition and the operation of the market"
 - Support to parties
"To ensure Users and third parties have a positive experience when engaging with the REC and to act as an impartial and accountable critical friend"
 - Modification Process
"To ensure the efficient operation of the modification process"
 - Performance management and compliance monitoring
"To deliver a robust Performance Assurance Framework and manage REC party compliance"
 - Service Provider Performance
"To manage REC service providers' delivery against their contractual obligations"

- Cross Code Collaboration

"To work with other Code Administrators to ensure a co-ordinated approach to identifying and resolving industry issues in accordance with the CACoP principles"

1.17. We consider that those principles are still valid. However, we recognised that a firmer explanation of the requirements would be required in order to initiate any procurement of the REC Manager role(s). To that end, a draft schedule setting out the anticipated scope of services to be delivered through the REC, whether by the REC Manager or other service providers, will be developed. This document will evolve along with the development of the code itself, and will continue to do so in the coming months. We envisage that this draft document will inform the procurement process, and in due course form part of the REC itself. This will enable any interested party to propose changes to the scope or delivery of the services, which if accepted will be backed off in contract while the accompanying terms and conditions remain confidential between RECCo and the relevant service provider(s). We consider that this will address some of the short comings of existing third party service procured by code administrators and/or service delivery bodies, which interested parties often have only indirect and ineffective influence over. The key areas to be covered by this schedule are set out below. At this stage, the RECCo Board do not intend to be prescriptive in determining how each service area is delivered. Instead, it is proposed to set out a methodology for each service area that will enable potential service providers to offer flexible, innovative and best in class services. Those service providers will be expected to do this by:

- delivering the REC strategy on behalf of the RECCo Board;
- focusing on quality-based deliverables and outcomes;
- ensuring a consumer centric approach to code development;
- prioritising and driving change which supports the overall REC strategy and code objectives;
- removing barriers to change and market development;
- delivering innovation and continuous service improvement across all service functions;
- developing and implementing a digitisation and digitalisation strategy;
- proactively and innovatively engaging with stakeholder engagement; and
- effectively managing RECCo service providers to ensure best value is achieved.

1.18. The following have been identified as key 'Code Manager' services, to which the principles and methodology set out above will be applied:

- Performance Assurance and Compliance Monitoring;
- Party Management, Market Entry and Exit;
- Code Change Management;
- Design Authority;
- RECCo support;
- Stakeholder Engagement;

- Service Provider Management;
- Digitisation and Digitalisation;
- Innovation; and
- Cross Code Collaboration.

1.19. A more detailed description of these services will be made available for comment via the RECCo website which is expected to launch shortly. These requirements and an associated procurement plan will be further developed by the RECCo Board shortly, advised as appropriate by a third party procurement expert of whom the Board shortly expect to announce the appointment of.

Q1.3: Do you consider that the methodology as set out above is appropriate?

Q1.4: Do you have any comments on the scope of services?

REC Manager: Appointment and accountability

1.20. As noted above, it will be for the RECCo Board to determine how the REC Manager functions are sourced. We envisage that in the early days, at least, this may be a number of functions contracted from one or more service providers, though RECCo may also opt to provide some function in-house, dependent upon what is the most effective, economic and efficient.

1.21. The RECCo Board has confirmed its intention to undertake the procurement(s) in line with our current plan (see Chapter 6), with a view to contracts being in place early 2020/21. This will allow the REC Manager time to prepare for the substantive expansion of REC in April 2021 and provide early support to both RECCo and to Ofgem with respect to the Switching Programme governance and wider Code Consolidation. This will also allow the REC Manager to facilitate the early operate of the PAB and prepare for the transition of entry assessments.

1.22. In addition to the services outlined above and as set out in the June document, we also expect that the REC Manager will be accountable to the RECCo Board for the execution of the RECCo Board's strategy and work programme, in line with its terms of contract. At this stage we see no reason why certain REC Manager functions could not be subject to oversight of the PAB, with the latter undertaking certain elements of contract management that the RECCo Board may delegate to it. We would also expect feedback to be obtained from the REC Change Panel and wider interested parties to the extent that the functions of the REC Manager directly involve them.

Question 1.5: Do you agree with our outline proposals on the set-up of the REC Manager?

REC Change Panel: Function

1.23. We continue to propose the relatively narrow role for the REC Change Panel that we set out in the October document:

"The REC Change Panel is responsible for reaching decisions on changes to the REC, where this is within scope, and recommending decisions on changes to the REC to the Authority where appropriate."

REC Change Panel: Accountability

1.24. The REC Change Panel will be accountable to the RECCo Board and the Authority for driving forward the decision-making processes on modification proposals in a way that gives effect to the RECCo strategic objectives and the code objectives.

REC Change Panel: Membership and Appointment

1.25. In the October document we said that the REC Change Panel will be appointed by the RECCo Board, and will require a mix of expertise. In the October document, we endorsed the mix set out in the June document:

- The REC Change Panel should have independent members sufficient in number, or with sufficient voting rights, to ensure that decisions are not taken against the consumer interest;
- The REC Change Panel should have representative members in sufficient numbers, and with constituency responsibilities, such that all categories of REC party can be assured that their interests will be represented in all decision making processes;
- The REC Change Panel should be able to draw on any relevant expertise it needs to inform its decisions;
- The REC Change Panel must be capable of acting quickly and reaching decisions without undue delay.

1.26. We propose that the RECCo Board will convene a REC Change Panel with the assistance of the REC Manager.

Question 1.6: Do you agree with our proposals on the set-up of the REC Change Panel? Do you foresee any problems with these proposals?

PAB: Function

1.27. In the June consultation we proposed that a PAB be established under the REC to oversee specified aspects of the performance assurance regime. This would include:

- the maintenance of a risk register through ongoing risk assessment;
- monitoring compliance using various techniques, including performance reporting;
- managing the rectification of non-compliance as the escalation route where parties fail to deliver against their agreed corrective action plan; and
- imposing liabilities or other sanctions where rectification plans are not complied with.

1.28. We also said that the PAB should have access to relevant data from all parties, including anything that may be obtained from the Central Switching Service (CSS) provider, for monitoring purposes.

1.29. In the October document we expanded on the role of the PAB by saying that:

"we propose to establish a PAB that will monitor party compliance with the mandatory provisions of the REC, techniques will also be applied to assure the effectiveness of other parts of the REC framework, including the RECCo Board, the REC Manager and the PAB itself."

1.30. We also proposed modifications to the Gas Supply and Electricity Supply licences, to state that:

*"The REC must provide for... a "**performance assurance board**" to conduct and administer activities identified within the REC and being appropriate to provide assurance that all participants in the REC arrangements, particularly those relating to switching activities, are suitably qualified and that the relevant standards are maintained."*

1.31. Those modifications were subsequently made, and took effect 1 February 2019 along with the others licence modifications relating to the REC and the Switching Programme.

1.32. Experience of introducing the equivalent of the PAB into the Balancing and Settlement Code (BSC) and Uniform Network Code (UNC) suggests that it can take a significant amount of time for such a body to familiarise itself with the role, obtain the necessary reports to inform its views and start to have an effect on performance. For instance, whilst we accepted the modification¹¹ to introduce the UNC Performance Assurance Committee in December 2015, it is arguably still finding its feet. We therefore propose that the PAB is established during the transitional period (early 2020/21), giving time for it and its monitoring activities to be well established by the time the new switching arrangements go live. This would:

- allow all performance standards to have immediate effect, without need for a period of grace or further 'bedding in'; and,
- enable the PAB to make appropriate input into the market entry and testing that will in the meantime be undertaken as part of the Switching Programme (see Chapter 3).

1.33. The PAB will have responsibility for assuring compliance with all mandatory elements of the REC, with its focus being on those aspects that present the greatest risk to effective operation and/or consumer experience, as determined by evidence based risk assessments. This could apply to any or all of the market participants contributing to or taking services from the REC, which may include:

- Energy suppliers;
- Network operators;
- The CSS and other service providers;
- Metering agents;
- Third parties.

¹¹ UNC506V: Gas Performance Assurance Framework and Governance Arrangements

- 1.34. In order to be effective, the PAB should have discretion to apply a range of possible remedies. Whilst these remedies must be proportionate, they must also be capable of escalation if further action is required to effect a change in parties' behaviour. For instance, it may be more cost-effective for a party simply to pay any liabilities rather than remedy the situation, which would be unlikely to benefit consumers.
- 1.35. We consider that it would be appropriate for the PAB to further develop its approach to remedies subsequent to its initial risk register and methodology being produced, as these documents may help inform the most appropriate measures to mitigate identified risk. However, we also consider that it would be appropriate to provide the PAB with an initial tool kit to draw from. This may include:
- Published performance tables;
 - Requirement to produce remedial plans;
 - Liability payments/liquidated damages;
 - Restriction of services.
- 1.36. As noted above, we consider that it will provide greater certainty for parties subject to the performance assurance regime and the PAB itself if the risk register and/or accompanying documentation spells out who is responsible for mitigating each risk and the consequences of not doing so. This may include the application of specified remedies. To the extent that these remedies may include provision for liability payments, we will need to ensure that a robust methodology is developed in order that the PAB can determine a genuine pre-estimate of any loss that may be suffered as a result of a parties' failure to adhere to the required REC standard. In order to be enforceable, parties must also agree that the estimate is reasonable. We would therefore envisage an approach similar to the Performance Assurance Reporting and Monitoring System (PARMS) used to calculate supplier charges under the BSC and will consult further on this in the Autumn. The approach to liabilities and sanctions is not yet set out in the published draft Performance Assurance Schedule.
- 1.37. Any decision to apply a remedy should be accompanied by clear next steps, including a further time-bound assessment of whether that remedy was successful. The PAB will be expected to ensure that any 'case' it embarks upon reaches a clear conclusion, which may include confirmation that:
- the remedy was effective (with supporting evidence);
 - the remedy was not effective and the next stage of escalation if required; or,
 - the required outcome cannot be delivered (to the required standard) through the existing procedures and a change to the applicable rule is required to recognise this.
- 1.38. The onus will therefore be on the PAB to justify why it has not taken action where application of the risk register and methodology indicates that it is required, rather than vice versa. There may be instances where actions are not pursued for reasons of administrative efficiency and/or prioritisation, but this should only apply in the short term and be accompanied either by a request for more resource or a scaling back of

its workload, as appropriate. This should create an appropriate tension, ensuring that the PAB role (and indeed the mandatory provisions of the REC itself) remains proportionate, targeted and avoids scope creep.

PAB: Appointment and accountability

1.39. Given the role for the PAB outlined above, we consider that there will be a relatively clear series of steps that the PAB is expected to take from the initial identification of risk, through to targeted reporting and monitoring and where appropriate, escalating remedial measures through to a definitive conclusion. The PAB should therefore be able to demonstrate either a clear reduction in identified risk, or a plan in place to do so. What happens in the event of the PAB's failure to meet these expectations may depend in large part on how the PAB as a whole or its individual members are appointed and what their relationship is to the RECCo.

1.40. In the October document we said that:

"The PAB will be accountable to the RECCo Board for monitoring performance by REC service providers and REC parties. Where appropriate, the PAB will put in place remedial action and/or sanctions. Where the PAB concludes that changes to the REC are required to mitigate systemic risks it will be able to instruct the REC Manager to develop and raise an appropriate code modification.

The PAB is expected to periodically report to, and have its effectiveness be assessed by, the RECCo Board. As the RECCo Board would remain accountable for the effective operation of the REC as a whole in delivering its objectives, should any issues with the PAB come to light, the RECCo Board would be expected to take appropriate action, and will have the discretion to do so. This could include actions such as changing the PAB's ToR, procuring additional support, or if necessary replacing one or more of the PAB members."

1.41. We expect that the PAB would be appointed by the RECCo Board, with the REC Manager taking on the process of identifying or recruiting PAB members. We consider that the PAB would be most effective if a mix of people from within and outside of the energy industry, either with relevant operational, customer service and/or consumer advocacy backgrounds.

1.42. The PAB members drawn from within the industry will have an important role to play in providing the PAB with insight into the relevant operational experiences of REC parties. These may primarily be energy suppliers, but could include any of the market roles whose functions fall within scope of the framework, as set out above. This will ensure that any determinations made by the PAB are grounded in practical and applicable knowledge and therefore carry a degree of legitimacy that the PAB may otherwise need to establish from scratch. Further consideration will be given to how these appointments are made. One option would be a nomination and election process similar to the approach taken for the BSC and the UNC.

1.43. We also have an opportunity to take a more structured approach. For instance, either the RECCo or Ofgem could invite those organisations recognised as being the best performing in certain relevant (consumer focused) metrics. This may allow them to impart practical knowledge and best practice, but also provide a firm basis on which to challenge arguments and assumptions about what is, and is not, achievable by their peers.

- 1.44. The greatest challenge to custom and practice may come from outside of the energy industry. We therefore consider that a number of people on the PAB should be recruited from other sectors, which nonetheless face similar challenges with respect to customer service and delivery. We envisage that these roles would be recruited and/or appointed by the RECCo Board and remunerated through the RECCo operating budget. Relevant comparators would be used to define the role and benchmark remuneration.
- 1.45. Whilst they would be accountable to the board for fulfilling their terms of appointment and/or employment, PAB members should remain independent in their decision making on specific matters. It may be appropriate for the PAB as a whole to be set some targets consistent with the RECCo business plan and strategy, but these should focus on the completion of impartial actions to address identified risks.

Question 1.7: Do you agree with our proposals on the set-up of the PAB? Do you foresee any problems with these proposals?

Change Management

- 1.46. We have previously stated our intention to make the REC Change Management (modification) process the 'best in class', addressing the criticisms that have been levelled at the existing industry codes. In developing proposed change management rules (AKA modification rules) for the REC, we have therefore sought to address those concerns that have previously been raised with the current change process, whilst maintaining consistency with the high level principles set out in the Code Administration Code of Practice (CACoP).
- 1.47. The proposed Change Management schedule is a simplified 'plain English' version of that which we previously published alongside the June document, and reflects comments received both as a result of that earlier consultation and since, via the RDUG. We would like to thank all those who have commented to date. We set out below a summary of the key features of our proposals, but note that these Change Management rules are not intended to come into effect until April 2021. Until that time, they may remain subject to further development, while any change to the version of REC currently in effect will be progressed and decided upon through the relevant Ofgem programme governance.

Access

- 1.48. The ability to raise changes to industry codes is generally restricted to code parties, with limited exceptions for consumer bodies, and other third parties. As the REC will be a consumer-centric code, with potential to provide governance for market activities beyond those of traditional licensees, we have removed this qualification. Change to the REC may be proposed by any person.
- 1.49. However, the REC Manager will be required to dismiss any change proposals that it does not consider to be valid, for instance as they are materially the same as an existing change proposal, deal with a matter that is outside the scope of the REC or otherwise have no reasonable prospect of success. These criteria will for part of the Change Management rules.

Development

- 1.50. One of the key reasons that change proposals currently take so long to progress is the development process, which is heavily reliant upon the input of incumbent parties, whose interests may or may not be aligned with those of the proposer.
- 1.51. We consider that the development and assessment of proposals will be expedited and done with a greater degree of rigour if undertaken by an independent person. In some cases this will be the REC Manager itself. However, we recognise that there will be instances where the Code Manager is resource constrained and/or requires the input of people with specific knowledge that it would be impracticable or prohibitively expensive to keep on staff. We therefore propose that the Code Manager be able to call upon the external support of legal, technical or economic experts as well as those with specific knowledge of industry processes.
- 1.52. In order that the identification and procurement of such outside support does not itself delay the development of a change proposal, we consider that it would be appropriate for the Code Manager to have access to a panel of Subject Matter Experts (SMEs) and other advisors. We further consider that these SMEs could be contracted to the RECCo on pre-agreed terms and conditions as part of a call-off arrangement. This should mitigate commercial considerations hindering the selection of the best available SMEs and ensure that the REC Manager has the widest pool of knowledge and experience to draw upon.

Impact Assessments

- 1.53. The potential impact that a change proposal may have on IT systems is and will continue to be a critical element of its assessment and subsequent decision making. The impact upon IT systems is often the driver for much of the known or estimated cost of the proposal, with associated lead times often determining implementation timescales.
- 1.54. The industry has made progress in recent years to ensure that such IT considerations are an integral part of the code modification process, rather than a separate one, and that these considerations will require varying degrees of transparency and accountability.
- 1.55. We have sought to ensure that the procurement of high quality impact assessments are an integral part of the Code Manager's role, encompassing not only the central service providers associated with the switching processes, but any other relevant service provider. This could include, for instance, any systems associated with theft arrangements. To the extent that a change proposal may impact upon the role of the Code Manager, or any outsourced code manager function itself, this could also include an assessment of the impact on its contract with RECCo.
- 1.56. Recognising that the availability of an impact assessment may be critical to the timely progression of a change proposal, we consider that provision should be subject to the Performance Assurance Framework. This may include the application of targeted and proportionate incentives, for instance ensuring that the absence of an impact assessment costing a few thousand pounds could not hold up a change proposal with potential benefits many times that.

Decision making

- 1.57. We recognise that as the REC will govern many operational matters, there will continue to be change proposals that are appropriately decided upon by the relevant parties, rather than being a matter for the Authority. We therefore propose to retain the two-tier approach whereby changes which may have a material effect on consumers and/or competition will come to the Authority for approval, while others will be determined by self-governance.
- 1.58. The Authority will continue to make decisions based on whether the change proposal would better facilitate the relevant objectives of the REC, consistent with its wider statutory duties. It may be appropriate that the Authority's decisions on the REC should be subject to an appeal to the Competition and Markets Authority. Such decisions are exempt from appeal if they accord with the views of parties, as expressed through the outcome of a vote or as the case may be, a recommendation. We recognise that this would require a Statutory Instrument, and will work closely with government on this matter.
- 1.59. The outcome of a self-governance change proposal will be determined by the outcome of a vote. While parties' views may or may not align with the published business case they are at liberty to vote how they wish and for whatever reason. However, we consider that it would be good governance for the rationale for the REC Change Panel's recommendation and the Authority's subsequent decision to be based on the same criteria. We therefore propose that the REC Change Panel recommendation should be based on their assessment of whether the change proposal would further the relevant objectives of the REC.
- 1.60. The REC will contain schedules which have a direct influence on matters that would ordinarily be reserved for the RECCo Board, such as its Articles of Association. We consider that including the Articles of Association as a schedule will ensure transparency, and allow interested persons to propose change if they wish. However, we recognise that the acceptance or otherwise of such a change is properly for the RECCo Board to determine. We are therefore considering the development of a 'dual-key' for certain elements of the code, which would need the positive outcome of the change process and agreement of the Board to be given effect. We consider that, if adopted, this dual-key could also appropriately apply to the Code Manager Services and Performance Assurance Schedules, both of which may have a direct bearing on the service provision contract(s) negotiated and managed by the Board.
- 1.61. Similarly, there may be matters that the Authority consider to be of sufficient importance that any change to them requires a positive decision from the Authority, rather than being subject to the standard assessment against the self-governance criteria.
- 1.62. Whilst the Change Management schedule may undergo further development prior to coming into effect April 2021, we consider that the inclusion of the measures outlined above will go a considerable way to addressing the problems currently associated with the pace, rigour and fairness of the codes modification procedures.

Question 1.8: Do you agree that the inclusion of the principles outlined (as included in the draft Change Management Schedule) should address some or all of the problems associated with existing code governance?

Governance: Next Steps

- 1.63. During the consultation period, we will continue to discuss the governance with stakeholders. We will evaluate responses to this consultation and adjust proposals as well as plans as necessary. Subject to consultation responses and in line with the plan described in Chapter 6, the immediate next steps will be to work with the interim RECCo Board to finalise the detailed strategy and requirements for the REC Manager procurement. (We are therefore asking for responses on the questions related to the REC Manager by 29 July.) As proposed, Ofgem will convene a nominations committee to oversee the appointment of the RECCo Board. Ofgem will work with the interim RECCo Board to organise a transition to the enduring board in a way that maintains continuity of expertise and leadership up to go-live of the REC organisations.

2. Delivery Approach

Chapter Summary

This chapter sets out how we intend to implement the changes to the REC, other code and licences needed for both Retail Code Consolidation and the Switching Programme on 1 April 2021. It also describes our proposal for some of the provisions, linked to the Switching Programme, to be dormant from 1 April 2021 and then activated on a later date as directed by the Authority.

This chapter provides information on how we intend to use our SCR powers to achieve this, including our intention to launch the Retail Code Consolidation SCR by the end of this year. It also provides an update on the work that has been led by code bodies to develop the consequential changes needed to deliver Retail Code Consolidation and the Switching Programme.

Questions

Question 2.1: Do you agree with our proposed choreography of the Retail Code Consolidation SCR, Switching Programme SCR and associated licence changes, including our proposals that the Switching Programme changes will be introduced as 'dormant' before being made 'active' following Authority direction?

Question 2.2: Do you agree with the approach we have described for managing the delivery of the Switching Programme SCR and the Retail Code Consolidation SCR?

Question 2.3: Do you have any views on the draft consequential changes to industry codes and work plans described in Appendix 5 that would help deliver the Switching Programme and Retail Code Consolidation SCRs?

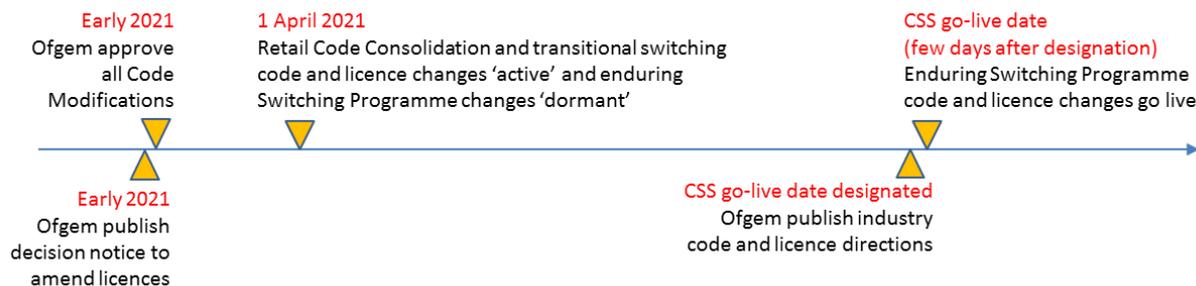
Governance implementation choreography

- 2.1. We have updated our proposals for when we expect to introduce the regulatory requirements needed to support Retail Code Consolidation and the Switching Programme. In doing so, we have been mindful of the benefit of providing as much predictability as we can for RECCo, other industry code bodies, industry and other interested parties on the obligations that they will need to meet.
- 2.2. We had previously stated that the Retail Code Consolidation changes would be made after, or at the same time as the Switching Programme changes. However, having further considered the extent and complexity of this consolidation and benefits arising from it, it would be inappropriate for the planning for that exercise to remain contingent upon the as yet uncertain Switching Programme implementation date.
- 2.3. We consider that by having a firm date for the implementation of revised governance arrangements, which we propose to be 1 April 2021, we provide greater certainty to relevant stakeholders and significantly reduce the degree of risk to both the Retail

Code Consolidation and the Switching Programme. In order that the licence and code modifications can each come into effect on 1 April 2021, we will have to issue our directions to modify those document modifications in early 2021 to achieve this effective date. By this, we mean that for licences, we will have issued our decision to implement the modifications and the 56-day standstill period has passed. For SCR changes, this means that the implementation date for the code modifications will be 1 April 2021.

- 2.4. The licence and code governance arrangements needed to support Retail Code Consolidation will therefore be active, ie that they will place obligations on parties, from 1 April 2021. From this point, the non-switching arrangements will be removed from the MRA and SPAA. These will be transferred to the REC and to other industry codes. This will be the first point from which RECCo will start to govern the enduring, operational, non-switching obligations.
- 2.5. Because the Switching Programme changes will go live after 1 April 2021 and the MRA and SPAA will have been closed down, we are proposing the following approach for switching governance:
 - The enduring code and licence changes that will govern the new switching arrangements will initially be 'dormant' from 1 April 2021. These requirements will then be made 'active', that is to say they will place enforceable obligations on parties, from a date specified by the Authority in a direction. We will issue this direction at the same point that we publish the final 'Go/No-go' decision to implement the Switching Programme systems and processes.
 - This will be a significantly trialled and widely publicised decision, taken through the established Switching Programme governance processes in which all REC parties are represented. We therefore expect that parties will have sufficient notice of when the changes are likely to have effect from.
 - It is expected that the Authority direction will be published shortly, ie a few days, prior to CSS go-live date when the new switching arrangements come into effect. We will put in place appropriate measures to ensure that parties are aware of this decision.
 - We will remove the switching governance arrangements that are currently included in MRA and SPAA and include these as schedules within the REC. We are expecting this to be a change in governance responsibility rather than any change in industry obligations to operate the current switching processes. We will consult on these interim governance arrangements in the Autumn.
- 2.6. We recognise that the transition through the stages of our proposals will require careful planning. We will develop our proposals on this over this year in consultation with stakeholders.

Figure 1: Governance choreography for Retail Code Consolidation and Switching Programme



2.7. We have illustrated our proposed governance implementation choreography in Figure 1 above. Further detail on the SCR arrangements that will support the Retail Code Consolidation and Switching Programme changes is set out in the rest of this chapter. Further information on our proposals to make the required licence modifications is set out in Chapter 5.

2.8. Note that we expect that the MRA Service Company (MRASCo) and SPAA Ltd may continue to need to exist for a short period after 1 April 2021 to oversee the orderly rundown of the code and company requirements. We will consider further if there are benefits in moving these companies under the control of RECCo from 1 April 2021 so that it can oversee their shut down.

Question 2.1: Do you agree with our proposed choreography of the Retail Code Consolidation SCR, Switching Programme SCR and associated licence changes, including our proposals that the Switching Programme changes will be introduced as 'dormant' before being made 'active' following Authority direction?

Significant Code Reviews

2.9. The rest of this chapter provides an update on how we propose to amend the industry codes using our SCR powers to support the delivery and enduring governance of the Switching Programme and deliver Retail Code Consolidation. The proposed SCR timescales are summarised in Figure 2.

2.10. An SCR provides a tool for Ofgem to initiate wide ranging and holistic change and to implement reform to a code based issue. Following our Code Governance Review (Phase 3)¹² there are three process options for an SCR to follow. The Switching Programme SCR follows option three, where Ofgem leads an end-to-end process to develop code modifications. We propose later in Chapter 4 of this document that the proposed Retail Code Consolidation SCR would also follow option 3. Further information on our SCR powers can be found in our guidance on the launch and conduct of Significant Code Reviews.¹³

¹² <https://www.ofgem.gov.uk/publications-and-updates/code-governance-review-phase-3-final-proposals>

¹³ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-guidance-launch-and-conduct-significant-code-reviews>

SCR Launch

- 2.11. In November 2015, we launched the Switching Programme SCR as the best available tool for Ofgem to successfully manage the complex changes needed to multiple industry codes and licence conditions, to deliver faster and more reliable switching. The October 2018 consultation set out our revised scope for the Switching Programme SCR.
- 2.12. In October 2018, we also consulted on whether we should close down the MRA and SPAA, and deliver what was formerly known as REC v3.0, through an SCR. All respondents to this question agreed that Retail Code Consolidation should be delivered through Ofgem’s SCR powers. In February 2019,¹⁴ we confirmed our intention to launch a second SCR to deliver Retail Code Consolidation. In Chapter 4 of this document we set out our proposed scope for this second SCR. Following this consultation, once the full scope of the Retail Code Consolidation SCR is more certain we intend to launch the Retail Code Consolidation SCR in autumn 2019.

Development Phase

- 2.13. We set out in our October 2018 consultation that we would publish a complete and fully complementary package of legal drafting in Q2 this year, covering the switching-related schedules of the REC and Switching Programme SCR consequential changes to the impacted industry codes. In practice it has not been possible at this stage to develop all of the legal drafting as some of it will be dependent on technical work due to be carried out over this Summer. This consultation includes those parts of that package, to the extent that code bodies have made the legal drafting of the consequential changes available.
- 2.14. We propose that we will issue a further consultation in Autumn 2019 when a complete set of Switching Programme SCR consequential change drafting across the impacted codes is available.
- 2.15. It is important to note that, while we recognise that further issues will arise in the development of the REC and/or consequential changes to other codes, we aim to provide as much certainty as possible by publishing a complete set of modification proposals and maintaining them as living documents. We expect that in this way, they would remain current and ready to use for when Ofgem submits its modification proposals to the relevant code panels under the Switching Programme SCR.
- 2.16. A further set of REC and consequential change drafting is in development, covering the remaining areas of the SPAA and MRA that are not covered under the scope of the Switching Programme SCR, and a number of other documents that could be considered within the scope of retail codes.¹⁵ In Q2 2020 we will consult on the legal drafting for the schedules and consequential change drafting for codes that fall under the scope of the Retail Code Consolidation SCR.

¹⁴ https://www.ofgem.gov.uk/system/files/docs/2019/02/rec_way_forward.pdf

¹⁵ The other documents are the GDAA, SMICoP, and technical metering codes of practice. This is discussed further in Chapter 4.

Maintenance Phase

- 2.17. Following the Autumn 2019 consultation on the complete Switching Programme SCR consequential changes to codes, the drafting under this SCR would then conclude its development and enter its maintenance phase. The maintenance phase will continue through to the point at which we have successfully entered end to end systems testing, and Ofgem would issue its modification proposals to the relevant code panels under the Switching Programme SCR.
- 2.18. Following the Q2 2020 consultation on the complete Retail Code Consolidation consequential changes to codes (including the REC), the drafting under this SCR would then conclude its development phase and enter a maintenance phase. This phase will continue through to the point at which Ofgem issues its modification proposals to the relevant code panels under the Retail Code Consolidation SCR.
- 2.19. Modification proposals (for REC and other industry codes within the scope of the SCR) that emerge during the maintenance period of either SCR will be assessed as to whether they would have an impact upon the proposed REC and other industry code drafting. In summary:

Switching Programme SCR

- Any proposals which do not fall within the scope of this SCR will be allowed to proceed through the code modification process as normal;
- Any proposals which fall within the scope of the baselined REC or impacted code consequential change drafting, but do not impact upon the end-to-end design of switching systems, may be directed to be implemented as normal. In this instance we would share a revised version of the baseline drafting that captured this (and any other) approved change;
- Modifications which do impact upon the end-to-end design will be suspended, subject to, and pending the outcome of, an impact assessment and/or Change Request to be determined by the Authority under Switching Programme governance. This may subsequently result in changes being approved in relation to each of the end-to-end design, the consolidated drafting and/or the relevant industry code.

Retail Code Consolidation SCR

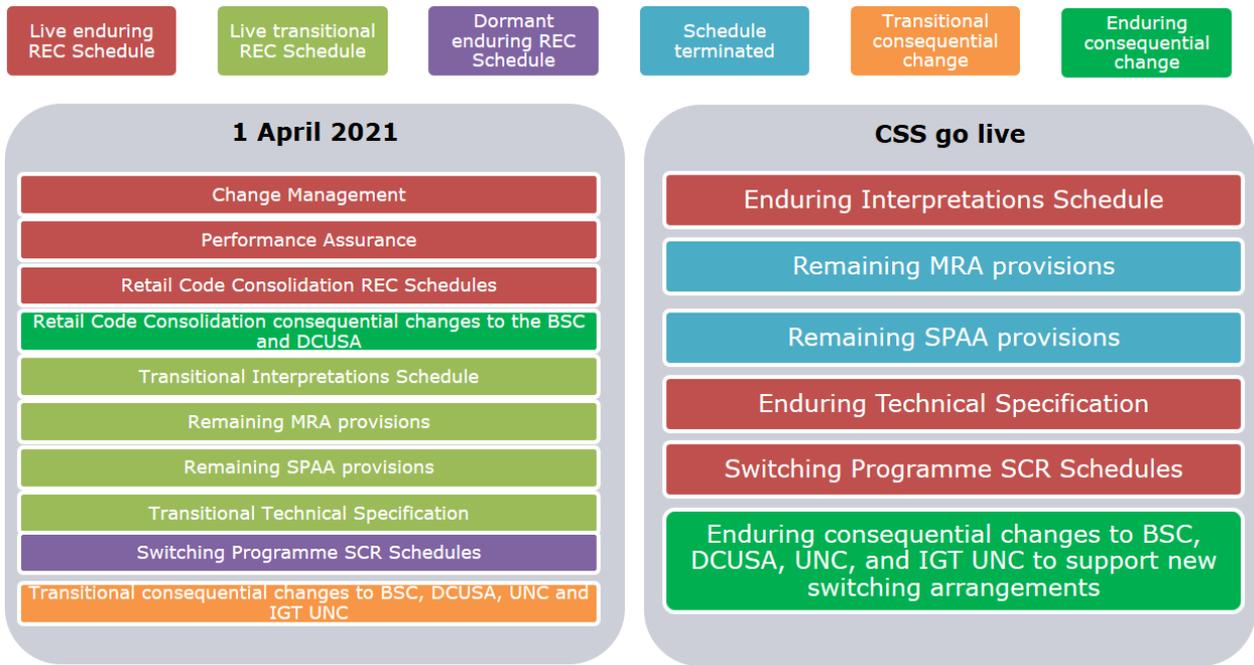
- We will outline the criteria for assessing modification proposals against the scope of the SCR, along with the planned SCR launch in Autumn 2019.
- 2.20. We expect to periodically release re-baselined drafting, setting out any revisions that result from approved programme Change Requests and/or code modifications. We plan to use the Regulatory Design Working Group during the Design, Build, and Test phase of the Switching Programme to develop and refine the enduring version(s) of the REC. More detail on our stakeholder engagement approach is outlined in Chapter 6.

- 2.21. We do not envisage implementing a code modification 'freeze' during the SCR maintenance period. However, we expect that it may be more difficult to demonstrate that the objectives of a code have been met and a modification should be approved if any changes are expected to be short lived or could be more efficiently deferred to when the Retail Code Consolidation or Switching Programme arrangements become operationally live.

SCR Implementation

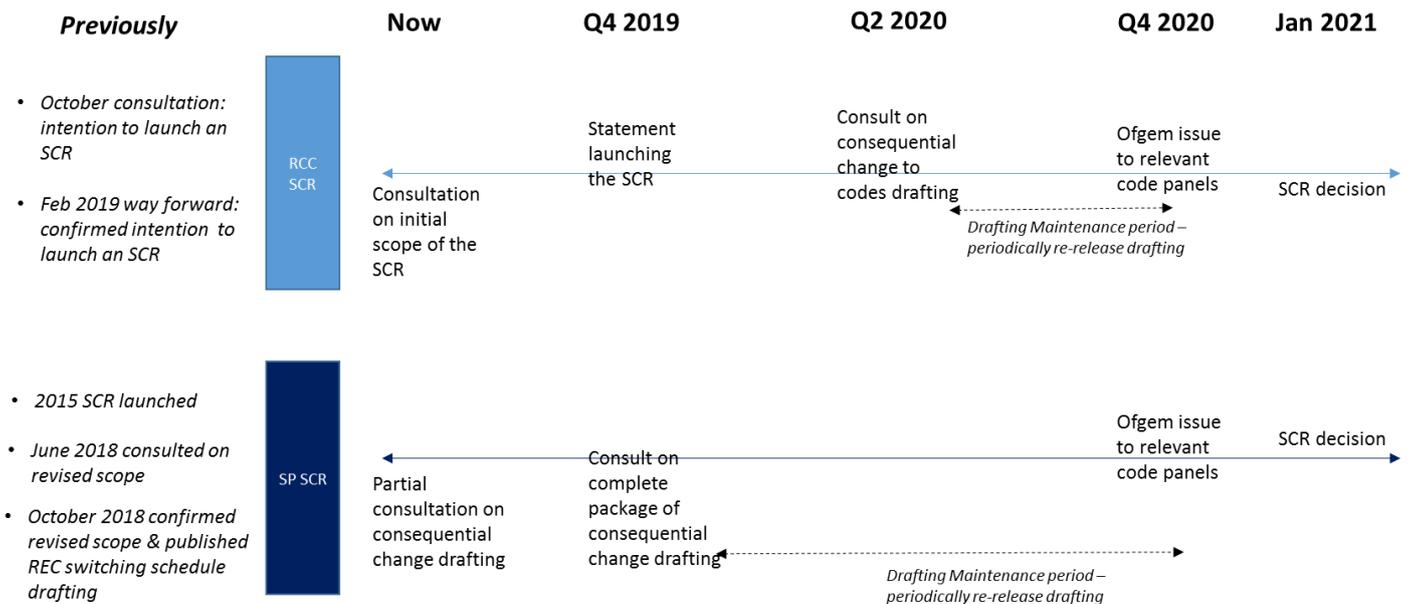
- 2.22. We propose that Ofgem will formally raise the modification proposals to make the necessary code modifications in Q4 2020 for both the Switching Programme SCR and the Retail Code Consolidation SCR. Each code administrator would then follow the relevant procedure for producing a recommendation on Authority modification proposals, as set out in their respective codes. We plan to discuss this further with each impacted code in Autumn 2019 so that we can develop a common understanding for how this process will work.
- 2.23. Following receipt of the code panel recommendations, we would then expect to issue a decision on whether to approve each of the code modifications, which would in effect include our decision to implement the Switching Programme SCR, the Retail Code Consolidation SCR, and the related licence changes (see Chapter 5) during January 2021. We would also expect the decision letter to include a statement formally closing both SCRs.
- 2.24. Notwithstanding the likely volume of consolidated text, given that we will have maintained, consulted upon and decided any Change Requests or modification proposals along the way, we consider this to be sufficient time for the modifications process to be completed ahead so that the changes can be implemented for 1 April 2021.
- 2.25. Table 2 below shows the code changes that are expected to be enduring and transitional from 1 April 2021 and those that will be dormant at this point and subsequently become active when the CSS goes live (and on the date designated by the Authority).

Table 2: Timetable for implementation of transitional and enduring REC Schedules and consequential changes



2.26. Figure 2 below shows a summary of the top level milestones to date for the two SCRs, and the planned indicative timescales for further launch, development, maintenance and implementation of the SCRs.

Figure 2: Timetable for development and maintenance of the Retail Code Consolidation and Switching Programme SCRs



Question 2.2: Do you agree with the approach we have described for managing the delivery of the Switching Programme SCR and the Retail Code Consolidation SCR?

Industry code consequential changes

- 2.27. The further development of the REC will have impacts on a number of existing codes. We proposed in October 2018 that in order to understand fully the implications and maintain the end to end integrity of the codes we would progress the Switching Programme SCR drafting via a fully collaborative approach with code administrators.
- 2.28. We note the progress that has been made by code administrators on the Switching Programme SCR consequential changes, based on the REC schedules published in October 2018. We welcome views on the legal drafting of consequential changes proposed for in Appendix 5.
- 2.29. Where codes have not progressed as far as having the full legal drafting available for Switching Programme SCR consequential changes, we have set out the indicative areas of change and/or their work plans to deliver their full legal drafting. We welcome views on the initial indications and/or work plans to deliver the full consequential change drafting in Appendix 5.
- 2.30. We note that where we have published the initial set of the Switching Programme SCR drafting and summaries on the Ofgem website alongside this consultation, we may explore the option of subsequent drafting to be hosted by the RECCo website.
- 2.31. We would welcome the collaborative approach taken so far with code administrators to continue throughout the SCR maintenance phase. For instance, where code modifications are raised that would impact on the baselined drafting (REC or consequential code changes) we propose that these should be raised to Ofgem. In this way we may track and regularly provide updates to industry on where amendments to the baselined drafting will be required.
- 2.32. We expect code bodies to commence assessment and drafting of consequential changes alongside the development of the REC schedules under the Retail Code Consolidation SCR. We expect that in Q2 2020 we will consult on the legal drafting for the schedules and consequential changes for codes that fall under the scope of the Retail Code Consolidation SCR.

Question 2.3: Do you have any views on the draft consequential changes to industry codes and work plans described in Appendix 5 that would help deliver the Switching Programme and Retail Code Consolidation SCRs?

3. Switching Programme: REC Operational Arrangements

Chapter Summary

This chapter describes the REC operational schedules and asks for views on whether the way they are drafted achieves the stated objectives of the Switching Programme and supports our objectives with regard to Retail Code Consolidation, as well as whether they meet our design criteria. The REC schedules describe the requirements on parties once the new switching arrangements have gone live.

Questions

Question 3.1: Do you agree that the draft Registration Services Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.2: Do you agree that the draft Address Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.3: Do you agree that the draft Data Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.4: Do you agree that the draft Service Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.5: Do you agree that the draft Entry Assessment and Qualification Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.6: Do you agree that the draft Resolution of Consumer Facing Switching and Billing Problems Schedule meets the Regulatory Design Principles? If not, please explain how the Schedule could be improved?

Question 3.7: Do you agree that we have adequately captured the requirements of the ETCC within the draft Resolution of Consumer Facing Switching and Billing Problems Schedule, taking account of the existence of Guaranteed Standards of Performance that cover engagement with the consumer and resolution of erroneous transfers?

Question 3.8: Do you believe there is merit in extending obligations relating to the resolution of Erroneous Switches, Crossed Meters, Switch Meter Read Problems and Duplicate Meter Points to micro-business consumers or should these requirements more generally apply to all Non-Domestic Energy Suppliers? For Switch Meter Read Problems, should the scope be extended to cover domestic and micro-business consumers who are settled on a Half-Hourly basis?

Question 3.9: Do you agree with our proposal to introduce a harmonise procedure for escalating delayed and disputed problem resolutions for all problem areas covered by the draft Resolution of Consumer Facing Switching and Billing Problems Schedule? If not, please explain how the approach for escalations could be improved.

Question 3.10 Do you agree that the draft Prepayment Arrangements Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.11: Do you agree that the draft Related Metering Point Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.12: Do you agree that the draft Data Access Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.13: What changes would you make to best align the draft Data Access Schedule to the Energy Data Task Force recommendations?

Question 3.14: Do you agree that obligations should be placed on networks and suppliers to ensure that RECCo procures gas and electricity enquiry services and that obligations in the Gas Transporter and Distribution Licences can be removed?

Question 3.15: Do you agree that the RECCo should be able to appoint either the Code Manager, Enquiry Service operator or a third party to act as the Enquiry Service Administrator for the purpose of monitoring compliance and managing Data Access Agreements?

Question 3.16: Do you agree that the draft Interpretations Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.17: Are there any other areas that you think should be covered in the REC to support the Switching Programme, other than those that will be included in the Technical Specification?

Question 3.18: Do you have any additional comments on the drafting of any of the schedules, in particular in relation to whether they effectively achieve the outcomes described here and articulated in Design Baseline 4 or other programme documents?

Introduction

- 3.1. In our October 2018 consultation we asked for views on whether the draft REC operational schedules we published at that time met four key design criteria:
- Design criterion 1: The REC must deliver consumer focused outcomes;
 - Design criterion 2: The REC requirements must be consistent with the Design Baseline 4 (as modified under Switching Programme governance);
 - Design criterion 3: The REC contents provide a comprehensive set of requirements that will support the effective operation of the retail market; and
 - Design criterion 4: The REC is written in clear and accessible language that meets the needs of users.
- 3.2. We continue to think that these design criteria are an appropriate barometer to assess whether the draft REC operational schedules are fit for purpose. We therefore welcome views on whether this is the case.
- 3.3. The REC schedules described in this chapter have been published alongside this consultation. Links to these documents are set out in Appendix 3.

Registration Services, Address Management and Data Management

- 3.4. These schedules were first consulted upon in June 2018. They were baselined and further consulted upon in October 2018. A summary of the contents of each schedule is set out below:
- **Registration Services Schedule:** Outlines the key switching activities undertaken by the CSS and the interactions between the CSS, other central services and market participants. Process areas include (but are not limited to): initial registration within the CSS, the submission of switching requests, the validation of these requests, objections, withdrawals, annulments and gas transporter initiated registrations. It also includes other Registration Events such as change of Shipper and change of Domestic/Non-Domestic indicator. For completeness, the process for updating the CSS with other registration data such as the identity of the Meter Equipment Manager (MEM), Data Collector (DC), Data Aggregator (DA) and Meter Asset Provider (MAP) are also included.
 - **Address Management Schedule:** Sets out the arrangements for the maintenance of the REL Address. The CSS will be required to establish and maintain the REL Address for each Registrable Measurement Point (RMP). The aim of the REL Address is for it to be an address that is easily identifiable for consumers, suppliers and Third Party Intermediaries (via access to this data on enquiry services) to the correct address to be selected for switching. Where there are multiple meter points at a premises, the CSS will link these to the same REL Address.

- **Data Management Schedule:** Describes the processes, interfaces and timetables related to the update of Switching Domain Data by Data Masters, ie those parties that are responsible for a data item, and their role in making this available to the CSS. It also describes the structure and categorisation of CSS Messages and Receipt Responses. The detailed data model, interfaces and further such items will be set out in the REC Technical Specification.

- 3.5. We have summarised the key issues raised by respondents to the October consultation in Appendix 1 together with the changes that we have made to address these points.
- 3.6. In addition, we have made changes to bring these schedules into line with the Change Requests that have been agreed to Design Baseline 4 through Switching Programme governance. Appendix 2 provides a summary of the Change Requests that have been incorporated.
- 3.7. We have further reviewed the schedules and made some additional changes. These changes are numerous and correct errors that we identified in consistency with the design or have sought to improve clarity. Given the number of changes and their relatively low level of materiality, we have not sought to describe these further in this document.

Question 3.1: Do you agree that the draft Registration Services Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.2: Do you agree that the draft Address Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.3: Do you agree that the draft Data Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Service Management

- 3.8. The end-to-end Switching Arrangements include services and systems sourced from a number of service providers. A service management function is therefore required to ensure co-operation and co-ordination between multiple market participants and service providers.
- 3.9. The service management function is overseen by DCC, acting as Switching Operator, with overall accountability for the live operation of the CSS.
- 3.10. The service providers covered directly by this Schedule include Switching Data Service Providers such as the CSS Provider, Gas Retail Data Agent, Electricity Data Agent, Smart DCC and the Market Intelligence Agents and Switching Network Service Providers who are responsible for delivering the Switching Network.
- 3.11. The key provisions relate to:

- The process by which Market Participants can log Service Requests and Incidents with the Service Desk and how these are dealt with by the Switching Operator;
- The method by which organisations apply to become users of the Switching Portal, noting that the detail will be contained within lower level access documentation which will include an Access Matrix setting out the access to different types of information;
- The process by which organisations will gain access to the Switching Network(s);
- The process by which operational changes to the Switching Data Services and Switching Network Services will be made;
- The process by which demand, capacity and availability of the systems will be managed;
- The reporting to be provided by the Switching Operator; and
- The roles and responsibilities of the Switching Operator, Switching Data Service Providers and Switching Network Service Providers.

3.12. This schedule was consulted on for the first time in October 2018. Respondent views are set out in Appendix 1 together with our decisions. In December 2018 and January 2019 we held workshops to review of responses improve the proposed operation of this schedule. The main changes coming out of these workshops were:

- Code Manager to chair the Change Advisory Board¹⁶ rather than that Switching Operator. This provides comfort that each service provider's interests will be considered;
- Clarity that Switching Operator will co-ordinate activities, with existing service providers retaining control for their own estates;
- Additional clarity provided within drafting particularly in relation to incident management, event management and capacity management; and
- Removal of service levels and KPIs as these will be included in the REC Technical Specification.

¹⁶ The Change Advisory Board manages changes that are not covered by the REC Change Management Schedule eg for bug fixes/patches to systems; firewall changes to facilitate network or system access; hardware or systems software upgrades; or minor operational improvements. They can also include minor changes to improve the Switching Service including: addition of a new data item on a report, new links on the Switching Portal, new incident or service request templates or changes to service management processes. However, Operational Switching Service Changes cannot be used for any changes that have the potential to have a material detrimental impact on Market Participants.

- 3.13. We have made a number of additional changes to the schedule to reflect our internal review and further discussions with stakeholders at RDUG and the Existing Service Provider Forum.

Question 3.4: Do you agree that the draft Service Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Entry Assessment and Qualification

- 3.14. The Entry Assessment and Qualification Schedule describes the process that new electricity and gas suppliers and new DNOs must complete to become 'qualified' for the REC. This assessment, led by the Code Manager, is designed to mitigate the risk to consumers and the market of a REC party not being capable of operating in accordance with its REC requirements, although we will ensure that any requirements are proportionate to the risk involved and do not deter new entry into the market. Existing parties will be deemed to be qualified as part of their completion of the Switching Programme User Entry Process Testing requirements. The schedule also covers arrangements for parties to be 're-qualified' where they undertake a material change to their systems and processes.
- 3.15. In the October 2018 consultation we requested views on a number of questions relating to Entry Assessment. Respondent views are set out in Appendix 1 together with our decisions.
- 3.16. We have made two significant changes to the draft schedule. The first links to the proposed choreography of the Code Consolidation and Switching Programme SCRs. The previous scope of the schedule was limited to suppliers. This was on the expectation that the Switching Programme changes would happen first and then the Retail Code Consolidation changes, which require the addition of entry assessment and qualification arrangements for DNOs,¹⁷ would come later. To accommodate the changes noted in Chapter 2, we have widened the scope of schedule that will be introduced as part of the Switching Programme SCR to include DNOs.
- 3.17. For the period between when Retail Code Consolidation changes have been made and the new Switching Programme changes going live, we think that transitional requirements may be needed to manage any request from potential new electricity suppliers and DNOs to enter the market and for re-qualification under the current switching requirements. Our expectation is that such requirements may be limited, as new electricity suppliers and DNOs may choose to time market entry for when the new switching arrangements are in place.
- 3.18. Towards the end of this year, we will be designing the cutover requirements from Switching Programme entry arrangements to steady state. Once this is complete, we will revisit the drafting of this schedule to determine if any changes are required.

¹⁷ DNOs are required to go through entry assessment and be qualified under the MRA. We propose to carry over an equivalent requirement to the REC.

- 3.19. The second material change reflects the policy set out in our Supplier Licensing Review in April 2019.¹⁸ The changes mean that applicants that want to become qualified under the REC can commence the entry assessment process prior to being granted a licence by Ofgem. However, applicant applicants will need to have the obtained the relevant licence before they can complete the qualification process under the REC and operate in the market.
- 3.20. We have made some additional changes to the schedule to reflect the changes made following our internal review and further discussions with stakeholders at RDUG.

Question 3.5: Do you agree that the draft Entry Assessment and Qualification Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Consumer Facing Switching and Billing Problems

- 3.21. In our February 2019 Way Forward document, we set out our decision to bring together under a single, dual fuel REC Schedule, existing problem resolution processes from MRA and SPAA that impact consumers' experience of switching and the accuracy of energy bills.
- 3.22. In line with this decision, we have developed a Resolution of Consumer Facing Switching and Billing Problems Schedule. This schedule covers requirements and operating procedures for;
- Erroneous Switches
 - Switch Meter Reading Problems
 - Crossed Meters
 - Duplicate RMPs
 - Misdirected Payments
 - Debt Assignment
- 3.23. Both Switch Meter Reading Problems and Debt Assignment have previously been consulted on as separate schedules as part of the October 2018 consultation (see summary of response to questions in Appendix 1).

Key Proposals

- 3.24. Adoption of a consumer-centric approach to drafting: Presently, requirements relating to resolution of consumer facing problems such as Erroneous Switches, Crossed Meters focus on the back-end processes and interactions between suppliers. This means that

¹⁸ <https://www.ofgem.gov.uk/publications-and-updates/supplier-licensing-review-final-proposals-entry-requirements>

requirements relating to the treatment of consumer are often embedded in multiple sections of existing code schedules. Given that we want the REC to be consumer-focused, we have included the following:

- Section on “Consumer Principles and Outcomes” that sets out obligations on suppliers in terms of the treatment of consumers, including the provision of information for all problem areas covered by the schedule;
- Table that describes how the different problems could manifest themselves in order to identify the appropriate resolution path. We believe this would be of particular help to new suppliers and operational staff that are not familiar with legacy terms such as Crossed Meters, Duplicate RMPs; and
- For each problem area, a clear description of the problem and the minimum outcomes suppliers should achieve for the problem to be considered resolved. We believe setting out the outcomes upfront will make it clearer what needs to be achieved through the resolution process described in the interface timetables.

- 3.25. Suppliers are required by Supply SLC0 to treat consumers fairly. That requirement covers suppliers’ interactions with consumers in the situations covered by this schedule as it covers any other aspects of the supplier-consumer relationship. We have drafted the schedule to avoid any conflict between the broad principle in the licence and principles or any specific requirements in the schedule. Any of this could be subject to enforcement by Ofgem, who could take action in relation to failure on the part of a supplier to treat customers fairly, or failure on the part of a supplier to comply with the code. However, before undertaking an investigation for compliance under the REC we would consider whether another body, in this case the PAB, is best placed to take action (or has taken action already). This would not preclude us starting an investigation if we thought that it was merited.
- 3.26. Replacement of the Erroneous Transfer Consumer Charter (ETCC): We believe that we have captured the requirements of the ETCC within the contents of this schedule. However, in bringing together requirements across a number of process and problem areas, we no longer think that we need to bring together the ETCC as a standalone set of requirements. We note that in addition to the requirements in this schedule, suppliers are also subject to Guaranteed Standards of Performance that require compensation to be paid to consumers where required timelines for communication with consumers and resolution of erroneous transfers are not met.
- 3.27. Extension of mandated requirements in gas to electricity: In the June 2018 consultation on the REC, we proposed the introduction of a schedule for “Exception Processes”. The consultation asked stakeholders for views on the initial scope and approach to drafting this schedule. Following the review of responses, we concluded that the mandated processes in gas for the resolution of Crossed Meters and Duplicate Meter Points (now referred to as Duplicate RMPs) should be extended to electricity as these issues exist in electricity although the resolution of these is not currently mandated. As such, we have drafted the requirements and resolution processes for Crossed Meters and Duplicate RMPs as dual fuel. We also believe the same should apply to the resolution of Misdirected Payments.
- 3.28. Extension of some of the requirements in the schedule to Micro-Businesses and electricity Half Hourly settled customers: Our review of current arrangements for Crossed Meters has highlighted that there may be situations where a domestic

customer's meter might have been crossed with a micro-business customer's metering point. In these scenarios, non-domestic suppliers would not be mandated to cooperate in the resolution of Crossed Meter issues.

- 3.29. Responses to the October 2018 consultation on the Switch Meter Reading Exceptions Schedule (now referred to as Switch Meter Read Problems) raised the question whether the obligations for this Schedule should be extended to Micro-Business Consumers.
- 3.30. Given the above, we welcome views on extending the requirements for Erroneous Switches, Crossed Meters, Switch Meter Read Problems and Duplicate RMPs to non-domestic suppliers. If so, should these obligations be restricted to micro-businesses only?
- 3.31. We note that the current electricity arrangements for resolving disputes on switch meter reads covers Non-Half Hourly settled customers only. Given the expected increase in the number of domestic and micro-business customer that will become Half Hourly settled in the future (including those that are not billed using Half Hourly meter reading), we welcome view on extending the scope of the Switch Meter Reading Problems to provide a resolution process for these customers.
- 3.32. Introduction of a harmonised approach to escalations: Under current governance, most of the problem areas covered by this schedule prescribe a separate procedure for resolving delayed or disputed problem resolutions between suppliers. This means that resolution timescales can vary greatly across the different problem areas and fuels where one or more of the suppliers involved is delaying or disputing a problem resolution. We understand that escalation timelines are rarely reviewed under current governance.
- 3.33. The proposed new schedule provides an opportunity to improve the current approach by introducing clearer requirements on suppliers to not unduly delay a problem resolution and ensure they take all reasonable steps to come to an agreement that respects the consumer's reasonable requirements (e.g. which supplier the consumer believes they hold a valid contract with). The escalation procedure should be a path of last resort and Suppliers will be required to maintain evidence for any decisions they make in respect to resolution processes, including escalations of issues. We also believe timescales for the different levels of escalations should be harmonised across all problem areas and would welcome stakeholders' views on the proposed timescales.
- 3.34. Current requirements in MRA and SPAA define specific contact levels within a supplier business for the escalation of delayed and disputed problem resolutions. We believe that escalations that cannot be resolved between suppliers at a Contract Manager level should be escalated to the REC Code Manager and where applicable the PAB for determination. This approach to escalations will provide a strong incentive on suppliers to ensure that problem resolutions are resolved in a timely and efficient manner, focusing on delivering the right resolution outcomes for consumers.

Additional Points to Note

- 3.35. It should be noted that the timescales in the interface timetables for the exchange of information between parties when a problem has been identified have not been changed at this stage. We would expect such timescales to be regularly reviewed as part of the performance assurance monitoring work. We will review any changes made to those timescales (or the arrangements more generally) under current governance,

for example as a result of the introduction of the ET PAB in MRA and SPAA or the MRA/ SPAA Secure Communications Working Group.¹⁹ Where appropriate, we will reflect these changes in the REC prior to implementation.

Question 3.6: Do you agree that the draft Resolution of Consumer Facing Switching and Billing Problems Schedule meets the Regulatory Design Principles? If not, please explain how the Schedule could be improved?

Question 3.7: Do you agree that we have adequately captured the requirements of the ETCC within the draft Resolution of Consumer Facing Switching and Billing Problems Schedule, taking account of the existence of Guaranteed Standards of Performance that cover engagement with the consumer and resolution of erroneous transfers?

Question 3.8: Do you believe there is merit in extending obligations relating to the resolution of Erroneous Switches, Crossed Meters, Switch Meter Read Problems and Duplicate Meter Points to micro-business consumers or should these requirements more generally apply to all Non-Domestic Energy Suppliers? For Switch Meter Read Problems, should the scope be extended to cover domestic and micro-business consumers who are settled on a Half-Hourly basis?

Question 3.9: Do you agree with our proposal to introduce a harmonise procedure for escalating delayed and disputed problem resolutions for all problem areas covered by the draft Resolution of Consumer Facing Switching and Billing Problems Schedule? If not, please explain how the approach for escalations could be improved.

Prepayment Arrangements

3.36. In February 2019 we set out our intention to develop a dual fuel Prepayment Arrangements Schedule.

3.37. The dual fuel schedule is structured in four sections:

- Section A: general obligations (all fuels and meters)
- Section B: smart prepayment arrangements
- Section C: legacy electricity prepayment arrangements
- Section D: legacy gas prepayment arrangements

3.38. We considered whether to retain smart, legacy gas and legacy electricity prepayment sections separately, or attempt to harmonise operational processes across fuels. We recognised that from a consumer perspective, gas and electricity processes such as issuing new top up devices would ideally be aligned. However, there are significant differences in the infrastructure supporting legacy gas and electricity prepayment

¹⁹ A group set up under the MRA and SPAA to identify common solutions to ensure the secure transfer of data between individual parties in meeting their obligations in these codes.

meters, meaning that further alignment between fuels would require a detailed impact assessment and cost analysis. Further, with the rollout of smart meters, there is a limited time to recoup the benefits from any costs incurred to align these processes. Therefore, we believe it is not appropriate to harmonise the operational processes as part of this SCR.

- 3.39. In light of this, we have introduced high level dual fuel obligations. These have been adapted from existing provisions in the MRA and SPAA, and extrapolations from licence conditions. There are no substantively new obligations here.
- 3.40. Section B, covering processes for smart meters operating in prepayment mode, currently consists only of the process for maintaining supply where neither the gaining nor losing supplier can communicate with the meter following a switch. This process is substantively the same under the MRA and SPAA, so has been replicated here with minor amendment to aid clarity.
- 3.41. We envisage that, as the smart meter rollout continues, and the smart prepayment sector matures, additional processes and requirements may emerge and need to be added to the code. We have created Section B so that there can be a clear home for any future processes that are developed.
- 3.42. Sections C and D, covering legacy electricity and gas prepayment processes, have been mostly carried across from the MRA and SPAA. Some provisions, such as the requirement to contract with MAPs and MEMs in SPAA, have been removed as they are duplicates of obligations under primary legislation, licence and other codes. Where appropriate, we have made some minor amendments to the processes set out in this schedule to align with the design of the new switching arrangements. We have also updated drafting for clarity and conformity to the style of the REC.

Question 3.10: Do you agree that the draft Prepayment Arrangements Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Related Metering Points

- 3.43. The Related Metering Point Schedule documents the procedure for creating and ending Related Metering Point relationships under the REC. This schedule is only applicable to electricity suppliers and DNOs.
- 3.44. In addition to testing our thinking with RDUG, the proposals contained in the schedule have been developed in conjunction with the Faster Switching Expert Group (FSEG) managed under the MRA. FSEG was tasked to identify the requirements necessary to transition and maintain Related Metering Points in the CSS. Transition of current data elements is being carried out through Stage Zero Data Cleanse activities.²⁰ This

²⁰ Stage Zero is the term used to describe the preliminary stage of the programme transition to live operations. It focusses on the preparation of existing systems to be CSS ready and includes activity such as the centralisation of data and the introduction of new data items within existing systems. For more information see [D-4.3.4 E2E Transition Plan](#) & [D-4.3.6 E2E Data Migration Plan](#).

schedule is therefore only concerned with the enduring maintenance of Related Meter Points in the CSS.

3.45. The schedule details:

- A requirement for a registered supplier to create a Related Metering Point Relationship for the Primary Related Metering Point and Secondary Related Metering Point to the Electricity Retail Data Agent;
- A requirement for the Electricity Retail Data Agent to provide notification to the CSS of a Related Metering Point Relationship;
- A requirement for a Registered Supplier to remove a Related Metering Point Relationship where it is no longer valid and provide notification to the Electricity Retail Data Agent; and
- A requirement for the Electricity Retail Data Agent to provide notification to the CSS of the ending of a Related Metering Point Relationship.

Question 3.11: Do you agree that the draft Related Metering Point Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Data Access

3.46. For the retail energy market to work effectively, relevant parties need to access data in a controlled and efficient way.

3.47. This schedule seeks to bring together the access rules for retail energy enquiry services into one place and covers:

- Who is required to make data available;
- How data is accessed (ie through Enquiry Services);
- Requirements on parties to enter into Data Access Agreements to be able to access specified data items referenced in the Technical Specification Data Specification;
- The process for new users to gain access;
- How changes to the access provisions are managed; and
- How the risk associated with misuse of data is mitigated.

- 3.48. This schedule has been created in parallel to the work of the Energy Data Taskforce.²¹ Ofgem supports the principles recommended by the Energy Data Taskforce and we believe that they are applicable more widely in the energy market than just the energy system. We also think that this schedule can provide a vehicle for regulation to facilitate delivery of the data vision that the Energy Data Taskforce has developed. Throughout the consultation period, further work will be carried out to ensure that the enduring data access provisions described in the REC facilitate the recommended Energy Data Taskforce principles, for example, the presumption that data is open by default, with an effective approach to the recommended data triage process to help facilitate access.
- 3.49. In gas, the GTs licence includes an obligation on GTs to provide access to data. GTs meet this obligation via the Data Services Contract with Xoserve. Data is accessible directly from the Data Enquiry Service (DES) website; through APIs provided by Xoserve; or a telephone service. As further described in Chapter 5 we are requesting views on whether this obligation to provide data should be removed from the GTs Licence on the basis that there would be adequate provisions for procurement in the REC. This is because we propose that responsibility for delivering the Enquiry Services will transfer to RECCo Ltd who will contract directly with Xoserve for gas enquiry services. A requirement on all parties would be included in the REC to ensure that RECCo Ltd contracts with a service provider for these services.
- 3.50. In electricity, the Distribution Licence includes an obligation on DNOs to provide access to data, with additional requirements within the MRA on both DNOs and Electricity Suppliers to provide the Electricity Central Online Enquiry Service (ECOES). Similar to the gas arrangements, data is accessible directly via the ECOES website; through APIs provided by C&C Ltd; or telephone services provided by DNOs. We are also requesting views here on whether this obligation to provide data should be removed from the DNO licence. We expect that the existing contract between MRASCo Ltd and Gemserv Ltd for ECOES to transfer to RECCo Ltd. A requirement on all parties would be included in the REC to ensure that RECCo Ltd contracts with a service provider for these services.
- 3.51. We propose to consider further how Enquiry Services will be funded. We note that, at the moment, electricity services are funded primarily by suppliers and DNOs and gas services are primarily funded by gas shippers and GTs. In both cases, other parties such as Price Comparison Service also pay for using the services. Under current proposals all RECCo costs are met by suppliers and allocated on a market share basis. Whilst this seems an appropriate model for recovering the costs of running RECCo and the REC itself, we have previously acknowledged that a different approach may be needed for some of the services provided by RECCo and/or through the REC. For instance, when responsibility for the operational funding of the CSS transfers from the SEC to the REC, we envisage adding a bespoke charging methodology as a schedule to the REC. A similar 'User Pays' approach may be appropriate for Enquiry Services and other arrangements that are not solely for the benefit of suppliers. We will set out our further thinking on cost recovery for such services in the Autumn consultation.
- 3.52. The schedule also includes obligations on gas and electricity suppliers (and their agents) to provide data. In the short term, this relates to existing requirements, for example the provision of meter data by metering agents. However, we have drafted the schedule in such a way that it would support access to new data items and enquiry

²¹See EDFT report, published 12 June 2019: <https://es.catapult.org.uk/news/energy-data-taskforce-report/>

services, for example to deliver midata, if these were added to the Data Catalogue in the REC Technical Specification.

- 3.53. The Data Access Schedule refers to a Data Access Matrix, maintained by the Code Manager, which sets out each of the accessible data items and the basis upon which they can be made accessible, including any aggregation to protect personal data.
- 3.54. Enquiry Service Users will be categorised e.g. Suppliers, Shippers, Third Party Intermediaries; and access to data will be provided based on the type of user. In line with the EDTF recommendations we will look at how a triage process can be put in place to make data available to anyone, having addressed security, privacy, consumer impact and commercial confidentiality.
- 3.55. Our presumption is that all data items held in the Data Catalogue should be included in the Data Access Matrix and be made available to users including, where possible, to those who are not parties to the REC, unless there is a good reason not to do so, and with the degree of access being determined by the triage process envisaged by the EDTF. We expect that as data is increasingly presumed open, the scope of the data made available through the Data Access Matrix can increase far beyond that which is currently shared.
- 3.56. Once its Data Access Agreement is in place, a Market Participant²², or other user, will have permission to access all available data items as described in the Data Access Matrix subject to the rules set out in its Data Access Agreement. As noted above, the data items will have been triaged in advance to that it is clear what data items are open and which have restrictions on their access and use.
- 3.57. The REC Schedule proposes that changes to the Data Access Matrix are progressed in line with the provisions in the Change Management Schedule. It is acknowledged that some organisations who are not REC parties e.g. Shippers will have responsibilities for certain data items. Therefore, a cross code process will be established to ensure the appropriate parties are consulted on changes to the access provisions via the UNC and BSC.
- 3.58. The process for managing Data Access Agreements currently differs between gas and electricity. In gas, Xoserve manages the process to put in place an agreement between themselves and the user. Whereas in electricity, Gemserv manages the process which puts in place an agreement between MRASCo Ltd and the user. It is proposed that under the RECCo will appoint an Enquiry Service Administrator to manage the Data Access Agreements. This could be the Enquiry Service, the Code Manager or a third party. A different Enquiry Service Administrator could be appointed for each Enquiry Service.
- 3.59. We expect that a standard Data Access Agreement will be maintained by the Code Manager. Additional bespoke schedules to this agreement could be added for an Enquiry Service User, to reflect any non-standard processes, if necessary. However, we expect that the triage process, if operated effectively, should mean there is very limited need for non-standard processes.

²² Market Participants are defined as: Gas Suppliers, Electricity Suppliers, Shippers, GTs, Distributors, MEMs, MAPs, DAs and DCs.

3.60. The existing arrangements make provision for users to undergo audits to ensure data is being managed robustly. Contracts with existing Enquiry Service Providers also include rights to audit them to ensure access to data is provided in line with the relevant access matrixes. Whilst the expectation is that some form of assurance will be established under the REC; the exact form of these provisions will be dependent on the overall performance assurance arrangements. Therefore, a high-level reference to the Performance Assurance Board has been included in the schedule with more detailed provisions to be considered at a later date.

Question 3.12: Do you agree that the draft Data Access Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Question 3.13: What changes would you make to best align the draft Data Access Schedule to the Energy Data Task Force recommendations?

Question 3.14: Do you agree that obligations should be placed on networks and suppliers to ensure that RECCo procures gas and electricity enquiry services and that obligations in the Gas Transporter and Distribution Licences can be removed?

Question 3.15: Do you agree that the RECCo should be able to appoint either the Code Manager, Enquiry Service operator or a third party to act as the Enquiry Service Administrator for the purpose of monitoring compliance and managing Data Access Agreements?

Interpretations Schedule

3.61. In October 2018, we consulted on a draft Interpretations Schedule to support the REC operational schedules. We have updated the draft schedule as the other REC schedules have been amended and new ones have been developed.

3.62. We will continue to update the Interpretations Schedule through the life of the programme so that reflects the latest REC operational schedule drafting (for both the Switching Programme and Retail Code Consolidation changes).

3.63. Note that a live version of the Interpretations Schedule is currently in place for the existing version of the REC that supports the DBT Phase of the Switching Programme.

Question 3.16: Do you agree that the draft Interpretations Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved.

Technical Specification approach

3.64. The operational REC will include the main body and a number of schedules containing governance and operational procedures. In addition, a REC Technical Specification will be developed to include information defining each of the services that form part of the overall switching arrangements; and how market participants will fulfil their obligations to interact with the Switching Data Services and each other.

3.65. The Technical Specification will also include details of existing services migrated from SPAA and MRA e.g. the Theft Risk Assessment Service (TRAS) as part of the Retail Code Consolidation changes. We will give further consideration to the Retail Code Consolidation requirements for the Technical Specification as part of our development of the policy proposals set out in Chapter 4.

3.66. The Technical Specification is expected to include of the following documents:

- Service Definition document(s);
- Security Operating Framework;
- Data Specification; and
- Testing Specification.

3.67. Development of these documents will continue over the summer, with further details and drafting, where available, provided in the Autumn 2019 consultation.

Service Definition documents

3.68. Service Definition documents will be developed for each of the services that form part of the overall Switching Arrangements. To ensure the REC documentation meets the overall Regulatory Design Principles, the Switching Programme will oversee the development of REC drafting in consultation with various service providers, as shown below:

- CSS (including the Registration and Address Services) – DCC
- Switching Management Service and Service Desk - DCC
- Gas Retail Data Service – Xoserve
- Electricity Retail Data Service – DNOs
- Market Information Service (DES) – Xoserve
- Market Information Service (ECOES) – Gemserv
- Switching Network Service(s) – ElectraLink / Xoserve

3.69. Development of the CSS Service Definition document is dependent on the overall CSS delivery plan with the design documentation developed during DBT feeding into the REC drafting. The Switching Programme will be responsible for determining the level of detail that should be included in the CSS Service Definition document and, once the new switching arrangements have gone live, be subject to formal REC change control.

- 3.70. For the other services, the Service Definition documents will be based on the existing service specifications, amended to reflect any new switching requirements. Drafting for these Service Definition documents will commence over the summer.

Security Operating Framework

- 3.71. It is anticipated that the scope of the Security Operating Framework document will be limited to the end-to-end Switching Arrangements; however, if general principles are identified which should be applied across other non-switching services these may also be included. Specific security arrangements relating to other services delivered under the REC e.g. the TRAS will be included in the relevant contractual / service definition documents.

- 3.72. The Security Operating Framework document will include:

- **Roles and responsibilities** – setting out the key roles required for the management of security in relation to all aspects of the end-to-end switching arrangements (and all other services included in the REC).
- **Access control** – for relevant parties able to use the systems and any communications network, including the provision of user accounts to individuals.
- **Security procedures** – to prevent unauthorised access to the systems, the steps in place to prevent access to any communications between the relevant parties by any specified communications, and the procedures to follow in the event of a breach.
- **Data retention** – specifying the information to be retained as an audit trail with respect to receipt of transactions from relevant parties/users.
- **Virus protection** – to be applied by users of the system prior to communicating with the CSS and any relevant party.

- 3.73. We are in the process of defining the switching security regulatory policy to determine the nature of the security requirements that should be set out in the regulatory framework. We are doing this in consultation with the Security Advisory Group (SAG), and plan to include this in the Autumn 2019 consultation.

- 3.74. Following industry consultation, the security requirements will be translated into REC drafting: high level provisions may be included within the main body of the REC; Operational Schedules; or the Security Operating Framework. Where the policy highlights security provisions required ahead of CSS implementation, these may be implemented directly into the REC (version 1) via the Ofgem led change provisions if appropriate.

Data Specification

- 3.75. As highlighted in our February 2019 response to the October 2018 Governance and Regulation Consultation, we expect the existing electricity Data Transfer Catalogue, RGMA Data Flow Catalogue, gas Supplier Data Flow Catalogue and potentially the UK

Link Manual to migrate into the REC, with provisions being included within the Data Specification alongside the definition of new CSS data items and messages.

3.76. The Data Specification will comprise three elements:

- **Data Item Catalogue:** contains details of all the data items that are sent and received to support services and processes defined within the REC. This will include CSS, DTC, Supplier, TRAS and RGMA data items. The catalogue will provide the definition and physical format for all data items, together with details of the organisation(s)/industry code body responsible for maintaining this meta data and the organisation(s) responsible for the content and quality of the associated data. Whilst it is envisaged that in the long term there will be a single Data Item Catalogue it may not be possible to fully consolidate the existing and new data catalogues in advance of the operational REC being implemented, therefore the REC Data Specification may initially include more than one Data Item Catalogue.
- **Message Catalogue:** This provides the definition of each message sent and received to support the energy industry interactions defined within the REC. In addition to listing the messages, the Message Catalogue will also include details of the data items contained within each message, the potential recipients and the required structure.
- **End-to-end processes and Interaction Sequence Diagrams:** This is the graphical representation of the end-to-end switching process (currently presented in ABACUS) together with Interaction Sequence Diagrams which illustrate the source, destination, flow and sequencing of messaging between parties.

3.77. Work has commenced on the definition of new CSS data items and messages, and it is anticipated that this work will be completed over the summer. A plan for the migration of existing data catalogues will be shared as part of the Autumn consultation.

Testing Specification

3.78. The operational REC will include entry assessment provisions for new entrants and existing entrants who undergo material change. It is anticipated that these provisions will include market scenario testing linked to the new switching arrangements and may also include any other non-switching scenarios currently set out in the MRA.

3.79. The Testing Specification will also include documentation relating to system testing for use should any future programmes of work be required impacting one or more of the Switching Data Services or Switching Networks.

3.80. Development of the Testing Specification is dependent on the development of transitional testing requirements during DBT and it will therefore not be possible to develop the enduring provisions until later this year/early 2020.

Next steps

3.81. We will update the schedules described in this chapter to take account of respondents' views and any relevant Switching Programme Change Requests. Once this is done we

will baseline the schedules through programme governance and update them as necessary prior to their inclusion in the SCR submission to the REC Panel (as described in Chapter 2).

- 3.82. To ensure that we have full coverage of all of the requirements in REC to support switching (noting that further work on the Technical Specification is still to come), we welcome views on whether there are any other issues that you would have expected to see covered in the proposed REC schedules.

Question 3.17: Are there any other areas that you think should be covered in the REC to support the Switching Programme, other than those that will be included in the Technical Specification?

Question 3.18: Do you have any additional comments on the drafting of any of the schedules, in particular in relation to whether they effectively achieve the outcomes described here and articulated in Design Baseline 4 or other programme documents?

4. Retail Code Consolidation: SCR Scope, Process and Proposals

Section summary

This chapter sets out our proposed process and scope for the Retail Code Consolidation SCR. We also expand on proposals that we consulted on in October, setting out our preferred options for consolidating the Green Deal arrangements, Metering Codes of Practice, SMICoP, and other industry processes. We also discuss options and seek views on the governance of MPAS once the MRA has closed down.

Questions

Question 4.1: Do you agree that Ofgem should lead an end-to-end process to develop the code modifications to deliver retail code consolidation?

Question 4.2: Do you agree with the proposed scope of the Retail Code Consolidation SCR? Do you think any additional areas should be in scope?

Question 4.3: Which option outlined above do you think is best suited to govern MPAS (as defined above) once the MRA has closed, and why?

Question 4.4: Do you have serious concerns about the suitability of any of the options for the future governance of MPAS, outlined above?

Question 4.5: Do you agree that the GDAA and Green Deal related provisions in the MRA should transfer to the REC?

Question 4.6: Do you think GDAA parties should accede to the REC, or be engaged in governance through some other means?

Question 4.7: Do you agree that the requirements currently held in SPAA Schedule 22 and the RGMA Baseline related to gas meter agent appointments and MDD should be mandatory for domestic and non-domestic suppliers? If not, why not?

Question 4.8: Do you agree with our preferred option for governance of agent appointments and MDD, outlined as option 3 above?

Question 4.9: Do you support our proposal for consolidating the metering CoPs into the REC?

Question 4.10: Do you think MEMs should be parties to the REC?

Question 4.11: Do you think changes to the metering Schedule(s) of the REC should be progressed through the Change Panel only, or should there be an additional MEM Panel?

Question 4.12: Which of the requirements within SMICoP, if any, should extend beyond the initial installation of the smart metering system?

Question 4.13: Which of the requirements within SMICoP, if any, should apply to installation of non-smart metering systems and other site visits required to carry out metering related work?

Question 4.15: What are your views on our proposals for the governance and assurance of the SMICoP provisions once migrated to the REC?

Question 4.16: Do you agree with our proposal for incorporating PSR provisions in the REC?

Introduction

- 4.1. In October 2018, we set out our intention to close the MRA and SPAA, therefore delivering Retail Code Consolidation, at the same time as the new switching arrangements go live. We also consulted on consolidating other industry codes and codes of practice under the REC. Much of this content would naturally transfer to the REC. However, some items are not easily categorised as retail provisions, so alternative governance arrangements have been considered.
- 4.2. A number of processes being considered for inclusion in the REC concern market participants who have not traditionally been party to the industry codes and are not currently REC parties. This chapter considers options for establishing governance of potential REC Schedules where such market participants have an interest in assuring performance against these rules and their change management.
- 4.3. The questions we ask in this chapter concern whether provisions should transfer to the REC or another code, and how these provisions should then be governed. We are not consulting on the underlying policy of each topic (eg theft, Green Deal), unless explicitly stated. Where we are not consulting on the underlying policy, our expectation is that the intent of the current arrangements will transfer across without material change.
- 4.4. This chapter is not intended to be an exhaustive discussion on where *all* remaining content in SPAA and MRA will be housed after Retail Code Consolidation. On these discrete issues, we will engage with industry in the manner set out in Chapter 6.

SCR Scope and Process

- 4.5. In October 2018, we consulted on whether to pursue Retail Code Consolidation through an SCR. In February 2019, we confirmed that most respondents had supported this, and that we therefore intended to pursue this option, but would consult on the scope of this SCR before launching it.

- 4.6. This chapter forms our consultation on the scope of the Retail Code Consolidation SCR. We will review responses and set out the confirmed scope in a SCR Launch Statement, which we plan for Q4 2019.
- 4.7. In addition to the codes, codes of practice, and processes discussed in this chapter, we propose that the Retail Code Consolidation SCR should include:
- All remaining provisions in the MRA and SPAA, being placed in either the REC or another code.
 - Making necessary changes to other codes to better facilitate cross-code change management, in the manner outlined in Chapter 1.
- 4.8. For the avoidance of doubt, we consider that the SCR scope should not include:
- Changes to the REC or any other code to implement midata²³.
- 4.9. Ofgem has three process options for conducting an SCR:
- i) Option 1: Ofgem directs licensee(s) to raise modification proposal(s), which then follow the standard industry modification processes,
 - ii) Option 2: Ofgem raises modification proposal(s), which then follow the standard industry modification processes,
 - iii) Option 3: Ofgem leads an end-to-end process to develop code modification(s).
- 4.10. Given the number of codes and relevant licensees affected by this SCR, together with the need to ensure that the post-SCR governance arrangements are complete, coherent and complementary, we consider that it would be appropriate for us to continue leading on this SCR (option 3). Either of options 1 or 2 would by necessity lead to the fragmentation of ownership and responsibility for the delivery of the revised drafting, imposing greater risk and complexity to the programme. We further consider that our ongoing leadership of the Code Consolidation SCR will ensure that it continues to operate effectively alongside the Switching Programme SCR and facilitate synergies in their development.

Question 4.1: Do you agree that Ofgem should lead an end-to-end SCR process to develop the code modifications to deliver retail code consolidation?

Question 4.2: Do you agree with the proposed scope of the Retail Code Consolidation SCR? Do you think any additional areas should be in scope?

²³ We expect that some midata provisions may be implemented prior to the conclusion of the Retail Code Consolidation SCR. If that is the case, we would review whether any related code provisions should transition to the REC, as part of this SCR.

Meter Point Administration Service

4.11. Standard Licence Condition 18 of the Distribution Licence places a requirement on licensees to establish, operate and maintain an MPAS²⁴ that, broadly speaking, includes:

- The maintenance of a register of technical and other data to facilitate supply by any electricity supplier to all premises connected to the licensee’s distribution system, and to meet the reasonable requirements of electricity suppliers in respect of such premises for information for settlement purposes. Data includes the identity of the electricity supplier registered to each metering point, the type of metering equipment installed at the premises, a unique and accurate address for each premises, whether the premises are subject to a Green Deal agreement;
- Amendments to the register to reflect changes of electricity supplier in respect of any premises;
- Provision of data contained in the register to any electricity supplier or its agent, to any person identified in the BSC as being an appropriate person to receive data for settlement purposes, and to any person identified in the MRA as being entitled to receive such data for the purpose of facilitating changes of electricity supplier in respect of any premises;
- The maintenance of an enquiry service for providing any customer or an electricity supplier data contained in the register in relation to premises which are (or are to be) owned or occupied by the customer.

4.12. Following the introduction of the new switching arrangements, and the licence changes discussed in Chapter 5, the process for amending supplier registrations will transfer to the REC as a CSS responsibility. We are also consulting on proposals to remove obligations to provide data, if this responsibility moves to RECCo, as well as moving the DNO obligations to provide a customer enquiry service from the licence to the REC (see Question 5.4). This section therefore focuses on the first bullet point, maintenance of a register of metering point data.

4.13. In October 2018, we said that, while the CSS would replace some of the current MPAS functionality, the closure of the MRA would require a new home to be found for effective governance of MPAS as described within the MRA. We suggested that the MPAS provisions could transition to the REC or DCUSA. Through engagement with stakeholders, we have identified an additional option to transition MPAS to the BSC. We have also considered whether MPAS provisions should be governed under a single code, or if the governance could be split according to the functions most associated with each obligation.

4.14. An accurate register of metering point data is critical for networks, settlement and the retail market, so the location of its governance will impact the drafting of consequential changes to the BSC, DCUSA and REC. It is anticipated that the REC Technical Specification will define the Electricity Retail Data Agent (ERDA) service. The

²⁴ As discussed in Chapter 5, we are considering whether SLC18 is still required, or if the requirements in this SLC could be covered by industry codes alone. The information provided here is for illustrative purposes, the detailed provisions can be found in the licence.

scope of what is included in the REC Technical Specification could therefore take different forms if MPAS as a whole is governed under the REC or elsewhere. As set out in Chapter 3, development of the ERDA Service Definition document, which will form part of the REC Technical Specification, will commence over the summer. Therefore an early decision on the future location of MPAS provisions is required to allow the scope of the REC service to be understood and for drafting to be developed.

4.15. Therefore, we are requesting responses to questions 4.3 and 4.4 by 29 July.

Scope of the MPAS provisions

4.16. The description of MPAS in the MRA extends beyond the high level requirements set out in the Distribution Licence. The scope of MPAS that will need to be subject to appropriate governance once the MRA is closed covers the following areas:

- The procedure for updating data held in MPAS to reflect the addition of new metering points, changes to settlement and network data, address data and changes to supplier registrations;
- Service definition including availability, data retention, audit and validation procedures;
- Performance measures including service levels and liquidated damages;
- The provision of refresh data to suppliers, Data Aggregators and DCC;
- Reporting requirements; and
- Charges for provision of services.

Governance requirements

4.17. We consider that wherever the MPAS provisions are governed, there are some minimum requirements to fulfil.

4.18. **Implementation:** Changes to the governance of any part of the energy market inevitably carries implementation costs. Moving the MPAS provisions to another code may require changes to that code's governance, objectives or funding arrangements, which would incur a one-off cost. On an ongoing basis, licenced distribution networks will be responsible for MPAS as well as the ERDA service, governed under the REC. Separating the governance of the ERDA and MPAS may result in the governance of data held within a single register being governed under two separate codes, potentially adding complexity to the governance landscape within which the DNOs operate.

4.19. **Cross-code coordination:** Changes to the MPAS provisions often have implications for settlement processes, and in future could have implications for the operation of the CSS and other functions governed by the REC. In the current arrangements, this is managed through the BSCCo being party to the MRA, and DNOs being consulted on the development of modifications to the BSC that have consequential impacts on MPAS.

- 4.20. Any future governance arrangement would need to continue to support cross-code change coordination, and evaluation of change proposals must take into account impacts on all affected codes. Whilst this issue may be particularly pertinent to the MPAS provisions, we recognise that such cross-code coordination has regularly been a problem in the past. We are proposing to include cross-code change provisions in all codes as part of the Retail Code Consolidation SCR (see Chapter 1). In particular, the REC will enable any code administrator (being an interested person) to raise a REC Change Proposal. We do not at this stage propose similar open access to all of the other industry codes, but would as a minimum expect the REC Manager to be given reciprocal rights to raise change proposals to those codes, in order to facilitate closer coordination between codes and reduce the administrative burden upon parties. We consider that this principle should extend to the BSCCo insofar as ensuring it has the right to raise and opine upon changes to MPAS, regardless of which code governs it.
- 4.21. **DNO responsibility:** The MPAS provisions within MRA dictate how DNOs manage a core part of their business. It's therefore essential that DNOs have meaningful influence over these provisions, and are able to engage in the change process.
- 4.22. In the following paragraphs we set out some factors we believe should be considered when evaluating each of the three possible codes as a potential home for the MPAS provisions. We welcome views on these and any other factors that respondents feel should be considered when making this decision.

Considerations if MPAS governance moves to REC

- 4.23. The REC fulfils the primary governance requirements, having a clear mandate for cross-code change coordination as part of its 'best in class' governance model (see Chapter 1 for details). As parties to the REC, DNOs will have representation and be consulted through the change process.
- 4.24. Migration of the MPAS governance to REC would allow the existing data (which will be split between the MPAS and ERDA service definitions) to be retained in a single register under a single governance regime; at least in the short term until more significant changes are likely to be delivered via the introduction of market wide half-hourly settlement.
- 4.25. However, there is an argument that the MPAS provisions do not fit within the scope of the REC, as the majority of data is used for non-retail arrangements.
- 4.26. Further, placing MPAS under the governance of the REC would not support harmonisation of governance across electricity and gas, as there are no proposals to move the governance of UK Link to the REC.

Considerations if MPAS governance moves to BSC

- 4.27. The BSC has a number of key interactions with the MPAS; specifically BSCP 501 covers the processes for updating the Supplier Meter Registration Service (the BSC term for the MRA definition of MPAS). These provisions will require amendment to reflect the new switching arrangements and, as part of that activity, could incorporate obligations currently included in the MRA.
- 4.28. In addition, the BSC is one of the key codes that would need to be involved in cross-code coordination of changes to MPAS data and processes. In the current

arrangements, the BSCCo is party to the MRA, and there are provisions in the MRA to require some consideration of the dependency between MPAS and settlement systems.

- 4.29. Placing MPAS provisions under the governance of the BSC would harmonise the approach with gas, where UK Link is governed under the UNC. As the BSC governs other systems (principally, the settlement system), the governance framework is understood to be effective for the types of changes that are raised to service and data definitions.
- 4.30. However, DNOs are not fully involved in the governance of the BSC. While the DNO licence requires them to accede to and comply with the BSC, the DNO seat on the BSC Panel is non-voting. The rights of DNOs within the BSC would need to be expanded if MPAS is to be governed by that code.

Considerations if MPAS governance moves to DCUSA

- 4.31. The DCUSA is a DNO-led code. As the provision of MPAS is a core part of a DNO's business, there are benefits to placing the provisions clearly within the remit of a DNO code.
- 4.32. The MPAN data item is mastered by the DNO/IDNO whose network the meter point sits on, and they are responsible for its lifecycle. DCUSA sets out a number of obligations and processes related to the MPAN lifecycle, covering connection, energisation and disconnection. It is likely that provisions covering connection and disconnection in the MRA will also transfer to DCUSA. There may be synergies in housing and governing the MPAS provisions alongside these processes.
- 4.33. DCUSA currently relies on certain data and functionality from MPAS to support operation of the code, principally around billing and sanctions. However, following go live of the new switching arrangements, these would likely be fulfilled elsewhere regardless of the governance of MPAS itself. A report on the number of MPANs registered to each supplier, to support budget allocation, would likely be supplied through the CSS rather than MPAS, and therefore be governed through the REC.
- 4.34. DCUSA does not currently have a mandate for cross-code coordination, and the BSCCo is not a party to the code. If governance of MPAS is moved to DCUSA, the governance of DCUSA itself would need to be reviewed to facilitate close coordination between MPAS, the settlement systems and CSS. The changes to cross-code change governance outlined in Chapter 1 may be sufficient to address this.

Separate governance by function

- 4.35. While SLC18 refers to a single MPAS, there is no requirement that this is provided by a single service or through a consolidated set of arrangements. Indeed, a core component, switching, is being split out to be governed in the REC and delivered through CSS.
- 4.36. There is a fourth option, therefore, to analyse the remaining clauses within the MRA which relate to functions of MPAS and split the governance between the codes whose activities most closely relate to each requirement. For example, updates relating to MPAN lifecycles and line loss data could be governed under DCUSA, while to settlement data may be governed under the BSC.

- 4.37. This option would require the cross-code governance arrangements referred to above and outlined in detail in Chapter 1. However, it may reduce the burden of cross-code coordination, as the code most reliant on each data item would be responsible for its governance.

Question 4.3: Which option outlined above do you think is best suited to govern MPAS (as defined above) once the MRA has closed, and why?

Question 4.4: Do you have concerns about the suitability of any of the options for the future governance of MPAS, outlined above?

Theft

- 4.38. Our February 2019 Way Forward document confirmed our intention to move the theft arrangements currently set out in the SPAA and DCUSA to the REC. We noted that this would facilitate a more holistic and complementary theft reduction strategy than has been possible so far. We also noted our intention to review each of the current theft obligations and associated services to ensure that they are consistent with the new switching and governance arrangements.
- 4.39. We note that since our February 2019 document was published, the Theft Steering Group has agreed to undertake a theft strategy review. This will include, but not be limited to, a review of the arrangements currently set out in the SPAA and DCUSA. In particular, this review should determine whether it is appropriate for the Theft Risk Assessment Service to be novated to RECCo in its current form, modified or replaced in its entirety. This review should also indicate whether and in what way the existing theft detection incentives scheme(s) need to be modified in order to ensure that they are effective. We have an open mind on how these schemes should evolve, though as stated in previous modification decisions, we expect any proposals to be evidence based. We welcome this strategic review and expect it to ensure that whatever theft arrangements adopted by the REC are not just fit for purpose but an improvement on the past.
- 4.40. Given the work already being undertaken by the Theft Steering Group, we do not consider it necessary or appropriate to undertake drafting of the REC theft provisions at this time, but instead to await that group's conclusions. Undertaking this review at a later stage will also provide opportunity to assess the impacts that other initiatives such as Ofgem's Consumer Vulnerability Strategy or the government's Energy Data Taskforce may have on the theft arrangements. We are also keen to understand the experience in Northern Ireland since its Utility Regulator introduced a theft code of practice and identify any lessons learnt. These learnings will in due course feed into a Theft Code of Practice for the GB market, which we will insert into the REC to replace those which are currently part of the SPAA and DCUSA.

Green Deal

- 4.41. The Green Deal is a 'Pay As You Save' energy efficiency scheme, introduced in 2013 by the government. It gives homeowners, tenants and landlords the opportunity to pay for energy efficient home improvements through their energy bill. Green Deal providers carry out work on properties with funding provided by a Green Deal Finance Party. The homeowner or tenant then pays back the cost of the work through instalments collected by the electricity supplier. Though the Green Deal scheme was

effectively halted in 2015, as the government stopped funding the Green Deal Finance Company, there is still an obligation to provide and maintain Green Deal plans, and consumers could still enter the scheme through a loan financed by private companies.

- 4.42. Green Deal arrangements are currently governed in two codes: Green Deal Arrangements Agreement (GDAA) and the MRA. The closure of the MRA presents an opportunity to review Green Deal governance and ensure the arrangements are operated in the most efficient and effective ways.
- 4.43. The GDAA establishes the mechanism for collection of Green Deal Charges through supplier electricity bills and for the remittance of these payments to providers. All parties who operate under the Green Deal are required to accede to the GDAA: electricity suppliers, Green Deal providers and finance parties. The MRA governs the Green Deal Central Charge (GDCC) database, necessary to facilitate the maintenance of the scheme. Within the scope of the Green Deal arrangements, only electricity suppliers are parties to the MRA.
- 4.44. It has been recognised that the current arrangements have areas of duplication and overlap including change control, central charge database rights, technical and working processes, and performance measures. There have been previous efforts to merge the GDAA into the MRA, but interest in pursuing this tailed off due to uncertainty around the future of each code and the Green Deal itself. While the Green Deal policy may change in the future, there is still an obligation to provide and maintain existing Green Deal plans. Therefore, we consider that it is necessary to make arrangements for the future of the GDAA and Green Deal provisions in the MRA in the context of retail code consolidation.
- 4.45. The options we have considered are:
- **Option 1:** Retain GDAA as a standalone code, moving related MRA provisions to the REC.
 - **Option 2:** Transfer all Green Deal related provisions from GDAA and MRA to the REC.
- 4.46. Option 1 is the minimum necessary to facilitate closure of the MRA. This would involve the transfer of assets (eg GDCC) from MRASCo to RECCo, but otherwise the requirements would remain the same. This would, however, perpetuate the inefficient governance of the retail codes. Although the GDAA's parties are not currently parties to other retail codes, we consider that developing a mechanism to engage non-code parties in the REC would be more efficient than maintaining and administering an entirely separate code.
- 4.47. Option 2, therefore, is more ambitious. Including all Green Deal provisions in the REC enables the Green Deal scheme to benefit from access to the empowered REC Manager, a well-resourced performance assurance regime, and efficient change management process. There are likely to be benefits in placing the Green Deal into the REC (as opposed to another code) as the Green Deal activities sit entirely within of the retail sector.

Proposal

- 4.48. As previous attempts to incorporate the GDAA into the MRA have stalled, we are cautious of creating a dependency on delivery of a consolidated Green Deal Schedule for the overall delivery of the REC in 2021. Therefore, we propose that option 1 is developed as a backstop, while we work with the code administrator of the MRA and GDAA to draft a consolidated schedule as described in option 2.
- 4.49. In developing a consolidated REC Schedule under option 2, we would engage with current parties to the GDAA to agree suitable governance arrangements. This may involve GDAA parties acceding to the REC, which has the benefit of making those parties subject to the Performance Assurance Framework. We recognise that the GDAA currently has different governance arrangements to the other codes, including decision and appeal routes. In developing option 2, we would consider these further with the relevant parties.

Question 4.5: Do you agree that the GDAA and Green Deal related provisions in the MRA should transfer to the REC?

Question 4.6: Do you think GDAA parties should accede to the REC, or be engaged in governance through some other means?

Meter Data and Agent Appointments

- 4.50. Following the introduction of competition for metering services, a number of agent roles have emerged in the retail market. In both fuels, MAPs own and provide metering equipment installed in consumers' premises, and MEMs are responsible for maintaining metering equipment. In electricity there are two additional roles, DA and DC. The DA and DC collect and aggregate consumption data for billing and settlement purposes.²⁵
- 4.51. The existing gas provisions relating to MEM appointment and updates to meter data and MAPs are contained in the Retail Gas Meter Arrangements (RGMA) Baseline document, with the high level obligations set out in SPAA Schedule 22. The RGMA Baseline document defines the processes for transferring information regarding installation, exchange and removal of meters, and transfer of information following change of supplier or change of MAM. It also contains standard flow formats and data item attributes for use in these processes.
- 4.52. In electricity, obligations and processes are set out in a number of BSC Procedures (BSCPs). The appointment of the MEM and updates to meter technical details and MAPs are included in BSCP514²⁶, with the appointment of the DC and DA included in

²⁵ The roles of supplier agents are currently under review as part of the Settlement Reform programme. It is not expected that these changes will affect the introduction of the REC, but this will be kept under review. For more information see <https://www.ofgem.gov.uk/electricity/retail-market/market-review-and-reform/smarter-markets-programme/electricity-settlement>.

²⁶ BSCP514 also includes detailed technical provisions relating to the management of faults on the metering system and Proving of metering systems. The gas equivalent is held in the Meter Asset Manager Code of Practice (MAMCoP).

BSCP502, 503, 504 and 505. In addition the MRA includes a requirement on suppliers to de-appoint agents as part of the switching process.

- 4.53. Both the SPAA and BSC also include metering Market Domain Data (MDD), which specifies valid values to be used for updates to metering data in the central systems. As new meter or converter models are introduced, the metering MDD is updated in the respective codes.
- 4.54. Retail code consolidation presents an opportunity to harmonise the governance of gas and electricity agent appointments arrangements.

Options and proposal

- 4.55. Given that the BSC groups together all activities provided by the DAs and DCs into specific BSCPs, including appointment and delivery of service, there appears to be no benefit in separating out the appointment process for migration into the REC. Furthermore, given that there is no gas equivalent of the DAs and DCs, there would be no harmonisation benefit from moving these provisions in to the REC. It is therefore proposed that provisions relating to DAs and DCs remain in the BSC with consequential changes progressed as part of the Switching Programme SCR. This leaves the provisions relating to the appointment of MEMs and updates to meter data and MAPs, together with associated MDD to be considered. The closure of SPAA means that, at a minimum, gas agent appointment provisions and metering MDD will need to be transferred to a new governance body.
- 4.56. We consider that there are three broad options for the governance of the remaining agent appointment provisions in the context of retail code consolidation:
- **Option 1:** transfer the gas agent appointment provisions and metering MDD to the UNC, and leave the electricity provisions in the BSC.
 - **Option 2:** transfer the gas agent appointment provisions and metering MDD to the REC, and leave the electricity provisions in the BSC.
 - **Option 3 (preferred):** transfer the gas agent appointment provisions and electricity provisions related to MEM appointment and MAP notifications to the REC, along with relevant metering MDD.
- 4.57. Option 1 is rejected, as it is not consistent with the current arrangements in the UNC and direction of travel for the gas codes. Specifically, agent appointment is an activity between suppliers and agents, but neither gas suppliers nor metering agents are UNC Parties. Therefore, it would be difficult to hold either party to account for ensuring the processes are followed.
- 4.58. Option 2 is the 'do minimum' option, with changes only being made to the governance of the gas process, necessitated by the closure of the SPAA. Although SPAA Schedule 22 is not mandatory for I&C Suppliers, the I&C Code of Practice²⁷ requires compliance

²⁷

<https://www.icoss.org/uploads/publications/I&C%20Code%20of%20Practice%20February2019%20v3.0.pdf>

with the RGMA Baseline, so we propose that the resulting REC Schedule would be mandatory for domestic and non-domestic suppliers. This REC Schedule would be governed under the REC Change Management Schedule, although specific provision may be made to allow a bespoke change process for the gas meter and converter model tables (reflecting existing arrangements under the SPAA). The existing provisions in SPAA Schedule 22 regarding performance reporting would be removed, as the new REC Schedule would be subject to the REC Performance Assurance Framework. The definition of file formats included in the RGMA data flow catalogue would be transferred to the REC Technical Specification.

- 4.59. Option 3 takes full advantage of the opportunity to harmonise governance of gas and electricity industry processes. Under this option, the resulting REC Schedule would have a dual fuel high level requirements section, followed by fuel specific sections including interface tables and detailed processes.²⁸ As with option 2, the Schedule would be mandatory for domestic and non-domestic suppliers, and performance would be managed under the REC Performance Assurance Framework. Bespoke change governance would be developed in line with the existing arrangements and in consultation with the affected parties.
- 4.60. While the data flows and systems involved for each fuel are different, the high level processes and requirements are already substantially aligned. Further, the organisations involved in the processes (suppliers and metering agents) are often active in both fuels, so there are efficiencies to be gained in a single harmonised governance framework. Given one objective of the Retail Code Consolidation SCR is to simplify and harmonise governance of industry processes, we believe option 3 is most appropriate and should be pursued.

Question 4.7: Do you agree that the requirements currently held in SPAA Schedule 22 and the RGMA Baseline related to gas meter agent appointments and MDD should be mandatory for domestic and non-domestic suppliers? If not, why not?

Question 4.8: Do you agree with our preferred option for governance of agent appointments and MDD, outlined as option 3 above?

Metering Services Codes of Practice

- 4.61. While the processes and data flows for appointing and notifying metering agents are set out in the main codes, BSC and SPAA, there exist a number of subsidiary and standalone technical Codes of Practice (CoPs), governing the activities of those agents.
- 4.62. These documents set out organisational controls and requirements around installation, maintenance and removal of metering equipment that MEMs must comply with in order to participate in the market. The technical requirements detailed with the CoPs have been established to ensure correct working practices are operated by the MEM organisation and their employees, particularly to ensure that end consumers are protected from unsafe working or installations (e.g. gas leaks, exposed conductors). Each of these CoPs has its own code administrator and governance framework.

²⁸ For an example of how this might look, the draft Prepayment Arrangements Schedule published alongside this document follows a similar structure.

4.63. In October 2018, we consulted on whether the metering CoPs should be consolidated under a common governance framework, and whether the REC would be a suitable vehicle for this. In February 2019, we confirmed that based on the responses we received, we would develop proposals for consolidating the metering CoPs under the REC.

4.64. The CoPs considered within the scope of this chapter are:

- Meter Asset Manager Code of Practice (MAMCoP), setting out the standards that a MEM organisation and its employees must operate to when performing their duties as a MEM.
- Approved Meter Installer Code of Practice (AMICoP), setting out the standards that an Approved Meter Installer organisation and its employees must operate to when performing their duties on behalf of a MEM.
- Meter Operation Code of Practice Agreement (MOCOCoPA), primarily concerned with health and safety, competency of the overall business and its individual employees; and the practical operational interactions between DNOs and MEMs.
- AMR Service Provider Code of Practice (ASPCoP), defining the operations, standards and methods by which metered gas consumption data is read and supplied to customers, energy suppliers or others.

4.65. For the avoidance of doubt, we are not proposing changes to the governance of technical meter specifications (such as those set out in BSC Codes of Practice 1 to 10 for electricity, and British Standards managed by IGEM for gas) in this document.

4.66. Currently the gas-specific MAMCoP is included in the SPAA, so at a minimum new governance arrangements must be developed for this CoP. This is also an opportunity to review the other technical metering CoPs, potentially improving the efficiency of governance, and reducing the number of codes and code administrators.

Proposal

4.67. We consider that the metering CoPs are good candidates for rationalisation of governance under the REC, as the companies subject to them tend to be active in both fuels and their activities are strongly linked to the retail market. MEMs are the market participant most likely to have direct face to face contact with consumers at their own premises. Furthermore, the data they provide to central systems can, if incorrect, cause significant detriment to consumers through incorrect billing or erroneous transfers.

4.68. We propose that MEMs should be parties to the REC. Although MEMs are not licenced parties, accession to the REC could be a prerequisite for accreditation. This would ensure that direct obligations and performance assurance could be placed on MEMs, particularly around data quality and provision of data for the successful operation of industry processes. In the current arrangements, responsibility for data quality can be ambiguous, as obligations are placed on suppliers in codes, but the data activity itself is delivered and managed through bilateral contracts with MEMs. Bringing MEMs into the REC directly would create a clear divide between the commercial performance arrangements established in bilateral contracts between MEMs and suppliers; and industry wide obligations that MEMs must be accountable for in regards to their own

performance or their interactions with other parties such as networks, other MEMs or suppliers.

- 4.69. In particular, 'master data' that originates with the MEMs but is subsequently used for various retail activities would be subject to REC Performance Assurance Framework to assure the quality and timeliness of its provision. This would include data items such as the meter serial numbers and MAP ID. With MEMs as parties to the REC, the PAB would be able to issue sanctions for poor performance, in line with the Performance Assurance Schedule. The PAB could also be given oversight of the audit activities set out under the existing MOCOPA and MAMCoP. This provides an opportunity for the audit approach to be harmonised and efficiencies realised via a common gas and electricity audit for MEMs which perform both MOP and MAM roles.
- 4.70. Governance and funding arrangements for the metering CoPs within the REC could broadly follow the example set by MAMCoP within SPAA (set out in Schedule 32 of the SPAA). The current arrangements facilitate a division of responsibility for the governance of the metering CoP. MEMs are responsible for the technical obligations governed through a separate MAMCoP Board, and suppliers/network operators are responsible for the assurance and overall governance provisions with changes progressed through the standard SPAA change process.
- 4.71. In the REC, two approaches could be taken. One option would be to entirely replicate the approach taken in SPAA, with the REC Change Panel responsible for changes to the assurance and governance requirements, and a separate MEM Panel responsible for technical changes.
- 4.72. Alternatively, the constitution of the REC Change Panel could be adapted to include a MEM representative, either on a permanent basis or as and when relevant business is tabled. The REC Manager, as the entity responsible for developing change proposals, could facilitate engagement with MEMs during the development phase, but with the Change Panel responsible for decisions. This option would reduce the engagement burden on MEMs, but would be reliant upon the REC Manager engaging meaningfully and at an early stage with affected parties.
- 4.73. We consider that funding for governance of the resulting metering code Schedule should follow the model used for MAMCoP in SPAA. Here, management of the change process and secretariat services is funded by Suppliers, and the costs of individual audits recovered from the MEM being audited.
- 4.74. Subject to this consultation, in developing the REC Schedule(s) covering the metering CoPs, we may refine the scope of the CoPs and redistribute some content elsewhere. For example, technical service specifications within MAMCoP could be incorporated within the IGEM standards documentation if they are not an ideal fit with the REC objectives. Similarly, a review of MOCOPA, which is an agreement between DNOs and MOPs, may conclude that some requirements fit better under the BSC or DCUSA, and vice versa. There is currently provision in the 2019/20 RECCo Budget for development of the metering CoPs, which we propose is used to consider these questions.

Question 4.9: Do you support our proposal for consolidating the metering CoPs into the REC?

Question 4.10: Do you think MEMs should be parties to the REC?

Question 4.11: Do you think changes to the Metering Schedule(s) of the REC should be progressed through the REC Change Panel only, or should there be an additional MEM Panel?

Smart Meter Installation Code of Practice (SMICoP)

- 4.75. In October we consulted on whether the SMICoP should be incorporated into the REC, and in February confirmed that most respondents supported this proposal. We said that we would set out more developed proposals for consultation.
- 4.76. The provisions within SMICoP appear to fit nicely within the overall consumer focused objectives of the REC, being mostly concerned with interactions between suppliers, meter installers and consumers.
- 4.77. SMICoP is currently split into three sections. The first, Section A, covers operational and process requirements placed on all domestic and micro business energy suppliers except where the code is explicit that the conditions apply to only one or the other. Energy suppliers are required to comply with these requirements during the installation of the first gas and/or electricity Smart Metering System installation at a premise under licence obligations. The provisions may be applied on a voluntary basis for Smart Metering Systems not installed under licence obligations.
- 4.78. Section B sets out the governance of the SMICoP itself. The SMICoP Governance Board is formed of representatives from large, small and microbusiness suppliers, and Citizens Advice, plus optional observers from BEIS, Ofgem, the energy ombudsman, DNOs and meter operators. This section also sets out monitoring and compliance obligations, including audits and customer surveys. Further detail concerning these requirements is provided in Section C of the code.
- 4.79. In responses to our October consultation, some respondents questioned whether SMICoP itself would have a finite life, and therefore work to incorporate it in the REC would be nugatory. However, it is clear that the smart meter rollout will continue beyond 2020, and after the Retail Code Consolidation SCR and enduring version of the REC has gone live.

Proposal

- 4.80. We continue to believe that SMICoP should transition to the REC. Regardless of the progress made on the smart meter rollout by 2021, it is clear that cases will remain where a device needs to be installed, for example where a previous occupant refused a smart meter and then new occupant would like one.
- 4.81. Further, we would like to consider whether some of the consumer protections in SMICoP should be extended to meter replacement and other meter maintenance visits. We particularly seek representations from suppliers on whether they adhere to the code for visits other than first installations, and if not, the reasons for this.
- 4.82. We propose that Section A is carried over to a new REC Schedule covering smart meter installation. Given that the rollout is very much underway, we do not propose to make changes to the specific consumer protections under this section, although drafting may be aligned with the style of the REC. Subject to the outcome of this consultation, we would review the provisions within the SMICoP to identify those that

could sensibly apply to visits beyond the first installation, and to installations of non-smart meters where the customer requests one.

- 4.83. The audit and customer survey requirements set out in Sections B and C of the SMICoP would be retained in the REC. Should the scope of the SMICoP extend beyond first installation, we see a role for compliance monitoring, in line with requirements in other metering codes.
- 4.84. The remainder of Section B would be discarded and superseded by the REC governance and change management arrangements (discussed in Chapter 1). We have not yet set out the composition of the REC Change Panel or PAB. We will consult with members of exiting panels, such as the SMICoP Governance Board, to ensure interests represented on the REC Change Panel reflect the full scope of the REC.
- 4.85. We also propose that the PAB should have the ability, as they will with the other Schedules to the REC, to determine that other assurance measures may be required in relation to the SMICoP.
- 4.86. Should the scope of the SMICoP be extended beyond the first installation, we will consider whether any changes to the gas and electricity Supply Licences are required. If so, these will be progressed as part of the licence changes discussed in Chapter 5.

Question 4.12: Which of the requirements within SMICoP, if any, should extend beyond the initial installation of the smart metering system?

Question 4.13: Which of the requirements within SMICoP, if any, should apply to installation of non-smart metering systems and other site visits required to carry out metering related work?

Question 4.15: What are your views on our proposals for the governance and assurance of the SMICoP provisions once migrated to the REC?

Priority Services Register

- 4.87. The Priority Services Register (PSR) is a database held by gas and electricity Suppliers, and electricity DNOs which contains details of consumers who require priority services in relation to their safety, access or communication needs. Priority services include activities such as providing additional support and/or priority for consumers in the event of network disruption.
- 4.88. Electricity DNOs, and gas and electricity suppliers, have licence obligations which require them to set up and maintain a PSR.²⁹ GTs are required by their licence to set up and maintain practices and procedures to identify domestic customers who may be eligible for additional services.³⁰ The processes for managing the PSR are currently governed under the MRA, SPAA and UNC.

²⁹ Gas and Electricity Supply SLC 26, Electricity Distribution SLC 10

³⁰ Gas Transporter Standard Condition 17, and Gas Transporter Standard Special Condition D13

- 4.89. In 2017 and 2018, industry aligned the descriptions used to define the special needs applicable to a household for both gas and electricity, allowing for consistent data sharing between suppliers and distribution companies. In electricity, the data flow definition and general instructions are defined in the Data Transfer Catalogue (DTC), while in gas the definition is in UK Link Manual, with general instructions in the SPAA. These provisions include requirements to ensure that explicit consumer consent is sought before details are added to the PSR and shared between industry parties.
- 4.90. Given that the majority of the existing PSR code provisions relate to rules around the population of the relevant data flows, the migration of these provisions to the REC is closely linked to the migration of the data catalogue provisions. For electricity, the rules for sharing PSR data will migrate to the REC as and when the electricity DTC transfers.
- 4.91. In gas, the data flows by which data is shared with GTs are currently defined within the UK Link Manual, governed under the UNC. Work is underway to consolidate the existing gas data catalogues in order to create a single gas data catalogue. Once this has been established, the instructions for populating the PSR flow could transfer from the SPAA to the gas data catalogue, so that the detail on how to populate a flow is contained alongside the flow definition itself. These flow definitions and instructions would then transfer to the REC Technical Specification.
- 4.92. The remaining PSR code provisions in the SPAA and DTC concern high level data protection and consumer consent requirements. These do not fit the scope of the REC Technical Specification, so a new dual fuel REC schedule is proposed to house these provisions.
- 4.93. In 2017, the UKRN published the report 'Making better use of data: identifying customers in vulnerable situations'.³¹ This focused on cross-sector sharing of non-financial vulnerability data between the energy and water industries. As energy and water companies have already collaborated to signpost one another's support services for customers, the report recommended future effective data sharing across the two sectors. A data sharing pilot in the North-West of England took place in Spring 2018, which was overseen by an industry Joint Working Group, who are now supervising efforts for national roll-out of data sharing by April 2020.³² Should provisions to facilitate cross-sector data sharing be added to existing energy codes, these would also be carried forward into the REC.
- 4.94. In addition to the sharing of PSR data, industry is currently considering changes to facilitate the sharing of other personal data. In gas, work is underway to introduce new processes for the transfer of customer telephone numbers from suppliers to GTs, to ensure direct communication with consumers who have a disruption to their power supply.³³ If implemented, these provisions would be carried forward to the new REC schedule.

³¹ <https://www.ukrn.org.uk/wp-content/uploads/2018/11/Making-better-use-of-data-identifying-customers-in-vulnerable-situations.pdf>

³² <https://www.ukrn.org.uk/wp-content/uploads/2018/11/UKRN-Making-better-use-of-data-to-identify-customers-in-vulnerable-situations-follow-up-report.pdf>

³³ SPAA change proposal SCP 443

4.95. **Question 4.16: Do you agree with our proposal for incorporating PSR provisions in the REC?**

5. Licence Condition Changes

Chapter Summary

This chapter describes the changes that we propose to make to licence conditions to support the operation of the new switching arrangements and for Retail Code Consolidation.

Questions

Question 5.1: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support the effective operation of the new switching arrangements?

Question 5.2: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support Retail Code Consolidation?

Question 5.3: Are there any changes to licences that, if not made prior to the switching arrangements going live, would inhibit the delivery of the Switching Programme?

Question 5.4: Do you think that we should remove licence obligations on GTs described in SLC 31 and DNOs in SLC 18 to provide one or more of the following services:

- **Enquiry services;**
- **Maintenance of a register of data associated with a metering point/supply point; and**
- **Customer enquiry service?**

Affected licence conditions

5.1. The enduring switching arrangements and Retail Code Consolidation require changes to the licences held by the following parties:

- Gas Suppliers;
- Electricity Suppliers;
- DNOs;
- GTs;
- Gas Shippers; and

- DCC.

- 5.2. We do not think that modifications are required to the licence conditions of other licensees although we welcome views from parties if they believe that this is not the case.
- 5.3. In Appendix 4 we describe the detailed changes that we propose to make for each licence type, indicating if these are needed for the new switching arrangements of for Retail Code Consolidation.
- 5.4. We have not provided legal drafting at this stage. Instead, we are seeking views on whether we have correctly identified the complete list of changes that should be made as well as on the description of the amendments that we propose to make.

Question 5.1: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support the effective operation of the new switching arrangements?

Question 5.2: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support Retail Code Consolidation?

Question 5.3: Are there any changes to licences that, if not made prior to the switching arrangements going live, would inhibit the delivery of the Switching Programme?

Licence modification approach

- 5.5. Taking into account views on this consultation, we aim to consult on proposed legal text in Q1 2020. We will then publish a statutory consultation in Q4 2020 and the decision notice in Q1 2021. We want the changes to the text of each licence to be made, (ie to have passed the 56-day standstill period) on 1 April 2021. This is consistent with our approach for changing industry codes as described in Chapter 2.
- 5.6. From 1 April 2021, any licence changes needed to support Retail Code Consolidation are expected to be active and will place obligations on licensees.
- 5.7. We expect the licence obligations needed to support the new switching arrangements will be dormant in licences from 1 April 2021. As with industry codes, the licence obligations will become active on a later date directed by the Authority. We expect this direction to be made at the point that a Go/No-Go decision is made for the new switching arrangements going live. The Go/No-Go decision and the direction are expected to be published a few days prior to the new switching arrangements going live. All affected parties will be given adequate notice of the proposed timetable and will be kept up to date with developments as this decision point nears.
- 5.8. We have requested views on this approach in Chapter 2.

Summary of proposed licence modifications

- 5.9. As noted above, our detailed licence modification changes are shown in Appendix 4.

- 5.10. For Retail Code Consolidation, the main changes that we are proposing are to update the references to MRA and SPAA. Many of these will be replaced by the REC, but this will depend on the circumstances of the case and if the related provisions are moved to other codes. For example, we are consulting on whether MPAS requirements should be moved to the REC, DCUSA or the BSC.
- 5.11. The changes for the new switching arrangements are more wide ranging. Significant changes are being proposed to the Electricity Supply and Gas Supply SLCs 14 and 14A.³⁴ These changes relate to:
- Moving the switch speed backstop provisions from 21 days to “as soon as reasonably practicable and no later than five working days”;³⁵
 - Amending the objection rules and allowing for the incumbent supplier to annul a switch request where the customer has indicated that they have not entered into a contact with another supplier; and
 - Setting out the rules for when a consumer cancels during a cooling off period but a switch has already taken place.
- 5.12. We are also proposing to add an additional requirement on suppliers to ensure that the switching arrangements, including the data that supports them are maintained and improved where appropriate to facilitate next-day switching. This is the stated aim of the Switching Programme and we want to make sure that suppliers are making efforts to ensure that this is operationally possible in practice. This could include, raising modifications to codes, fixing any data quality issues that they are aware of and raising issues with the Code Manager.
- 5.13. We are requesting views on removing specific licence obligations on GTs and DNOs to provide enquiry services for use by industry. This is on the basis that obligations to procure the gas and electricity enquiry services would move to RECCo and that all parties to the REC would have an obligation to seek to ensure that RECCo undertook this procurement. We welcome stakeholders’ views on the pros and cons of this approach.
- 5.14. Similarly, we welcome views from stakeholder on removing specific licence obligations on GTs and DNOs to provide registration services (that is the maintenance of a register of data relating to metering points and supply points). This not intended to change the nature or extent of the obligation on GTs and DNOs, it is simply intended to simplify the regulatory structure so that this requirement appears in only one place. We think that such services are now well established and that obligations would be set out in industry codes. We note that these obligations if set out in industry codes can still be enforced by Ofgem. Before removing any licence obligations on the basis that they

³⁴ The reasons for these policy positions are set out in the February 2018 OBC and are not replicated in this consultation.

³⁵ There will be a short transitional period after the switching arrangements go live where the default switch speed will be five working days while we check for any unanticipated impact on erroneous switches. Suppliers will be able to switch customers faster than five working days if they can do so without harming customers. The transitional period will end once defined criteria (to be developed) are met after which we expect domestic customers to be switched next-day and non-domestic customers the day after unless they choose a longer switch period. We consider that the proposed licence obligation is consistent with this aim.

were adequately covered in industry codes, we would seek to ensure that these codes could not be amended without our permission.

- 5.15. We are also requesting views on removing specific licence obligations to provide customer enquiry services. We think that moving these requirements under the REC provides an opportunity to develop a dual fuel arrangement for customers to get information on their Supplier ID and MPxN. It also provides an opportunity for innovation in the service and for it to be further developed to best meet consumers' interests.
- 5.16. In some instances we have suggested housekeeping changes to improve the licences. For example, by removing provisions that are no longer used or by seeking to clarify the text. Where changes are not impacted by code consolidation or the new switching arrangements, we will consider if these should be implemented after the 56-day standstill period noted above, without the need to be linked to an Authority direction.
- 5.17. To assist with our assessment of the proposed licence modifications we would welcome views from respondents using the template provided in Appendix 4. In addition to the changes we have noted, we would welcome views on whether there are additional changes to licences that should be made as well as whether some changes need to be made earlier than we have suggested to remove an impediment to the successful delivery of either the Switching Programme or the Retail Code Consolidation programmes.

Question 5.4: Do you think that we should remove licence obligations on GTs described in SLC 31 and DNOs in SLC 18 to provide one or more of the following services:

- **Enquiry services;**
- **Maintenance of a register of data associated with a metering point/supply point; and**
- **Customer enquiry service?**

6. Plan for Delivery, Stakeholder Engagement and Next Steps

Chapter Summary

We have detailed throughout this document various timescales related to activity that will need to take place to support implementation of the REC, other codes and licence changes. We have developed a Plan on a Page to summarise these timescales, with consideration of the Switching Programme milestones that require aspects of the regulatory framework to be effective, and vice versa, regulatory activity that is dependent on Switching Programme milestones.

This chapter summarises all planned activity to modify codes and licences between this publication and the Retail Code Consolidation and Switching Programme changes going live, how we propose to manage stakeholder engagement throughout this period, and the next steps following this consultation.

Plan on a Page

- 6.1. We have developed the high level “left to right” plan in Figure 3 to summarise the timescales and key milestone dates mentioned throughout this document. Each swim lane represents a separate workstream that requires work ahead of the Retail Code Consolidation and Switching Programme changes going live.
- 6.2. As described in Chapter 1 of this document, there are four elements of REC governance that must be established, and be ready to operate effectively ahead of 1 April 2021: REC Manager, Enduring RECCo Board, REC Change Panel and REC Performance Assurance Board. To de-risk implementation, we have set out a staggered approach to setting up and making appointments to these governance groups. We also expect that the REC Manager, once appointed and mobilised, will provide services in the set-up of other governance groups, and we have timed these steps accordingly.

Switching Programme

- 6.3. We have highlighted the Switching Programme Level 1 milestones that we consider will have an impact on planning for the regulatory framework:
 - Once the programme has entered end-to-end testing during Q4 2020, we would have tested the central systems and end use of the systems. This will allow us to have confidence in the stability of the industry code changes needed to support the new switching arrangements, although further testing of the end to end capability will be required ahead of go-live. At that point we can then proceed with submitting the Switching Programme SCR code modification proposals to the relevant code panels shortly thereafter.
 - The Switching Programme has an expected go-live range during Summer 2021. Progress will be tracked through Switching Programme governance, with industry being involved in decisions on timing. A final Go/No-go decision will be made

once the first two transition stages have successfully completed, and very soon before the new switching arrangements will go live. We have developed our planning for the regulatory framework changes to provide as much predictability as we can for RECCo, other codes, and wider industry around the time of Switching Programme go-live.

- 6.4. We note that the Switching Programme Plan is due to be re-baselined in July 2019. Following this, or any other plan updates, we will review and amend our timelines as necessary. If any re-planning is needed, we will update industry using the stakeholder engagement mechanisms detailed at the end of this chapter.

Licence Changes

- 6.5. We have published alongside this document an indicative set of licence changes for consultation. We will further develop our licence modification proposal as follows:
- Q1 2020: publish complete set of licence drafting for consultation;
 - Q4 2020: publish statutory consultation on the final licence drafting;
 - January 2021: Ofgem decision on licence amendments; and
 - 1 April 2021: Licence changes effective following the 56-day standstill period.

Retail Code Consolidation SCR

- 6.6. This document consults on the initial draft scope for the Retail Code Consolidation SCR. Further activity planned on the Retail Code Consolidation SCR is as follows:
- November 2019: Will confirm the scope for the Retail Code Consolidation SCR with a launch statement.
 - Q2 2020: Three-month consultation on the consequential code change drafting;
 - Q3 2020: Maintenance period;
 - Q4 2020: Ofgem submits modification proposals to the relevant code panels;
 - Early January 2021: Panel recommendation to Ofgem; and
 - Late January 2021: Decision on modification proposal issued, SCR completed.

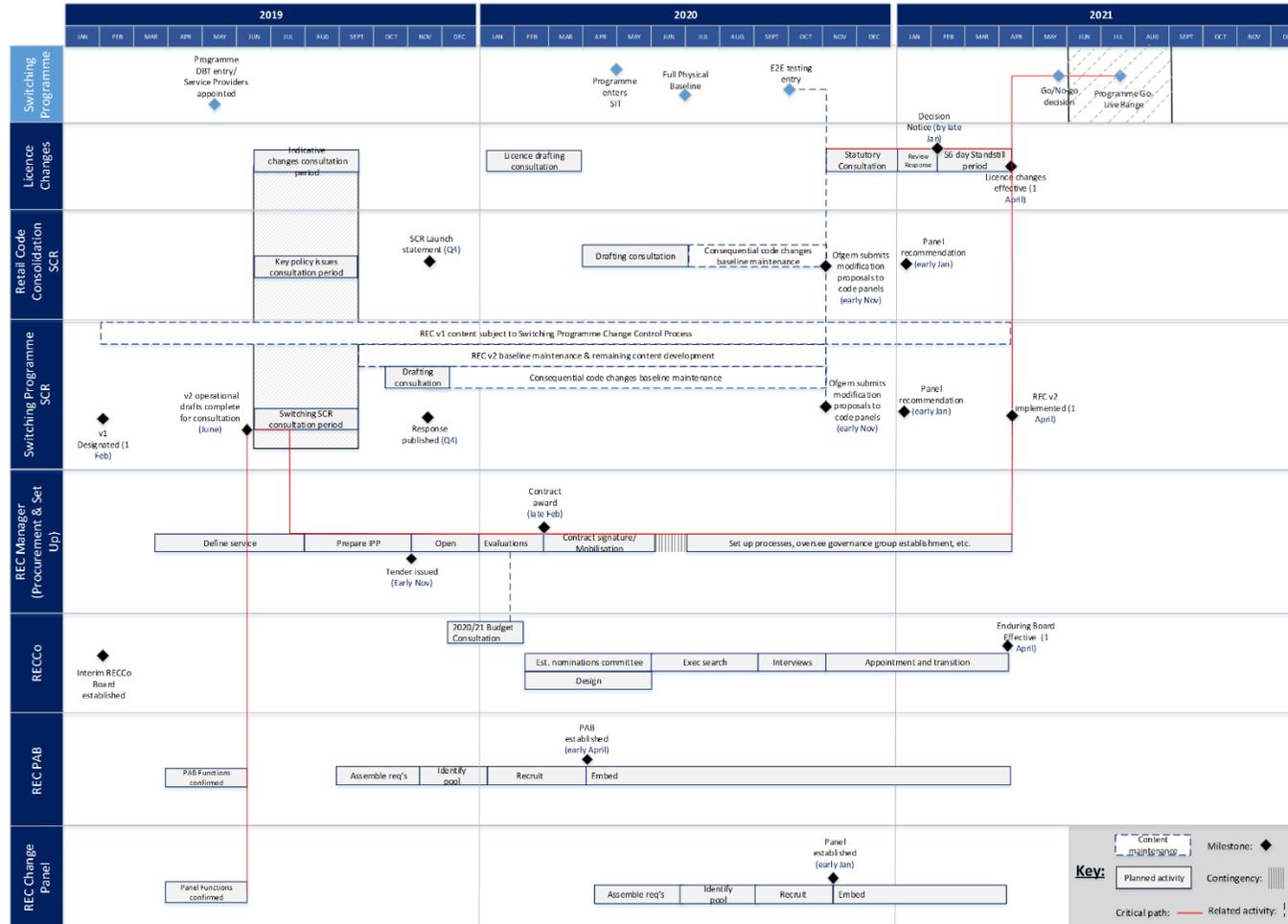
Consultation – Switching Programme and Retail Code Consolidation



Making a positive difference
for energy consumers

Figure 3: Plan on a Page

Link: https://www.ofgem.gov.uk/system/files/docs/2019/06/baselined_regulatory_plan_14062019_pp.pdf



Switching Programme SCR

6.7. A partial set of Switching Programme SCR consequential changes to impacted codes have been published alongside this consultation. Further activity planned on the Switching Programme SCR is as follows:

- Autumn 2019: Further consultation on legal drafting of Switching SCR consequential changes to all impacted codes;
- Q1-Q3 2020: Maintenance period;
- Q4 2020: Ofgem submits modification proposals to the relevant code panels;
- Early January 2021: Panel recommendation to Ofgem; and
- Late January 2021: Decision on modification proposal issued, SCR completed.

REC Manager

6.8. We understand that RECCo are currently planning activity for procuring the REC Manager functions. We do not seek to prescribe here the detailed level milestones for the REC Manager procurement, not least because RECCo may decide to provide REC Manager functions partly or entirely in-house. However, we have set out in this chapter what we believe are reasonable timescales, in the interest of ensuring that REC Manager functions are set up and robust well in advance of go-live.

6.9. Having aligned our plan with RECCo's internal plans, we expect that work on tender preparation will begin in August 2019. We envisage that RECCo would launch the REC Manager tender during November 2019, in order for contracts to be in place by Q2 2020:

- We consider that the earliest the REC Manager could reasonably be mobilised by is 1 April 2020, to align with the 2020/21 FY RECCo budget;
- If the REC Manager procurement meets a mobilisation milestone of late May 2020, we consider that a period of ten months for the REC Manager to prepare processes and develop REC changes for 1 April 2021 would be sufficient; and
- Should contract award and mobilisation be delayed, we have shown one months' contingency in our plan. We consider that slippage beyond one month would have material impact on the REC Manager's ability to oversee REC Performance Assurance Board and REC Change Panel establishments, assist in REC development and set up robust processes for a smooth transition at 1 April 2021.

RECCo

6.10. In Chapter 1 we said that the initial appointment of the RECCo Board would be made through an Ofgem-appointed nominations committee. We propose that Ofgem would establish this nominations committee, as well as design for the RECCo Board membership, throughout March-May 2020.

6.11. A period of five months to allow for an executive search and interview process to take place would see a managed transition from the interim Board to the enduring RECCo Board membership, beginning in October 2020. The enduring RECCo Board appointment would then be fully effective from 1 April 2020.

REC PAB

6.12. We expect that the Performance Assurance Board would be appointed by the RECCo Board, with the REC Manager assisting the process of on boarding its members. The key steps are:

- Q3 2019: Begin identifying candidates and recruitment process; and
- Q2 2020: Performance Assurance Board established and begin embedding in to Programme ahead of go-live.

REC Change Panel

6.13. We expect that the REC Change Panel would be appointed by the RECCo Board, with the REC Manager managing the process of assembling requirements, and identifying and recruiting members. The key steps are:

- Q2 2020: Begin identifying candidates and recruitment process; and
- Q4 2020: REC Change Panel established and begin embedding into Programme ahead of go-live.

Stakeholder Engagement

6.14. RDUG will continue to run as our engagement forum under Switching Programme governance. We will utilise this group for informal consultation on changes to REC drafting, changes to the baselined consequential changes drafting, and development of licence changes.

6.15. RDUG is an open forum, and anyone wishing to be added to the distribution list is welcome to contact us via the details provided at the front of this document.

6.16. We acknowledge that the scope of the Retail Code Consolidation SCR particularly will have an impact on market participants that have so far not been represented at RDUG. We will endeavour to attend existing industry meetings, such as the AMO, or use Switching Programme forums, as well as having standalone meetings to reach the relevant audience.

6.17. A Regulatory Group will be established as described in Figure 4 during the DBT phase of the Switching Programme. The Regulatory Group will be a constituency based representative model, acting as a decision making authority to agree the proposed SCR code modification changes (including for the REC) for both Retail Code Consolidation and the Switching Programme, changes to the regulatory plan, and overseeing the development of the licence changes.

6.18. The Regulatory Group will have a flexible membership to enable appropriate attendance depending on the change proposals being considered. Meeting content would be distributed five working days in advance of the meeting, so that members may choose not to attend if the issues do not impact on a particular industry participant.

Figure 4: Regulatory Group



Group	Chair	Secretariat	Representatives	Purpose
Regulatory Group	Arik Dondi	Ofgem during Enactment transitioned to Programme Coordinator for DBT	<ul style="list-style-type: none"> Ofgem DCC Existing system representatives Industry representatives <ul style="list-style-type: none"> Suppliers x 2 (domestic/non-dom) Gas Shipper x 1 GT x 1 iGT/iDNO x 1 DNO x 1 Technical and legal advisors Existing Code representatives Programme Coordinator Systems Integrator CSS Provider (once appointed) Service Management Provider (once appointed) REC Code Manager (once appointed) Representatives on invitation by Chair 	<p>Decision making authority to decide on the detail in the Retail Energy Code and associated consequential change (eg. licence and SCR changes).</p> <p>Decision making over REC with no material change in scope or impact to delivery timeframes.</p> <p>Decision made by consensus or if not, Ofgem Chair makes the decision. Right of appeal to the Delivery Group.</p> <p>Supplier representation limited to two, as the key differences from a regulatory design experience is with respect to the different requirements from the domestic and non-domestic sectors.</p>

Next steps

6.19. Please send your response to switchingprogramme@ofgem.gov.uk before 9 September 2019 (29 July for questions 1.3, 1.4 and 1.5, as well as 4.3 and 4.4).

6.20. We will review the feedback and publish our consultation response during Q4 2019.

Appendices

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Appendix 1 – Consultation Responses

1.1. Table 3 below shows the list of parties who responded to our October consultation. Non-confidential responses have been published on our website at: <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-regulation-and-governance-way-forward-and-statutory-consultation-licence-modifications> or can be accessed individually via the links below.

Table 3: List of respondents

Ref	Name	Confidential
1	Bristol Energy	No
2	BUUK	No
3	Cadent	No
4	Citizens Advice	No
5	DCC	No
6	Drax Group	No
7	EDF	No
8	EIDAC	No
9	ElectraLink	No
10	Elexon	No
11	ENWL	No
12	EON	No
13	ES Pipelines	No
14	First Utility	No
15	Gas PAC	No
16	Gemserv	No
17	Hudson Energy	No
18	ICoSS	No
19	MRA Executive Committee	No
20	Murphy's	No
21	National Grid	No
22	National Grid Electricity System Operator	No
23	Northern Gas Networks	No
24	Northern Powergrid	No
25	Npower	No
26	RWE	No
27	Scottish Power	No
28	SEC Panel	No
29	Smartest Energy	No
30	SPAA Ltd	No
31	SSE	No
32	UK Power Networks	No
33	Utility Warehouse	No
34	Western Power Distribution	No
35	Wales & West	No

Summary of responses

1.2. This appendix provides a summary of responses to the questions that we asked in Chapter 5 of the October 2018 consultation, related to the introduction of enduring switching

arrangements into the REC, that were not covered in our February 2019 'Way forward on the development of the Retail Energy Code' publication.³⁶

1.3. As the non-confidential responses have been published in full, this Appendix summarises only those comments that we have considered pertinent or have influenced the drafting of the REC Schedules. Therefore, neither the summary of responses nor our response to them are intended to be exhaustive.

Question 5.2: Do you agree that the draft Registration Services Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.4. Of those that responded on this question, most agreed that the Registration Services Schedule met the required standards set out in the Regulatory Design Principles.

1.5. Some respondents offered suggestions on how to improve the drafting. The main points raised were:

- Several parties noted that there were a lot of cross-references to the REC Technical Specification and that this may hamper the readability of the schedule.
- Several respondents challenged whether Section 14 of the schedule (on de-registration) was correct and electricity suppliers would be allowed to de-register from a RMP. They noted that, unlike the gas market, this was not a feature of the current electricity arrangements.
- One party suggested that a section should be added on how the Supplier of Last Resort arrangements would operate.
- One respondent asked if the notification of a switch to the losing MEM/DC and DA equated to a de-appointment from the Supplier.

Ofgem response

1.6. We welcome the strong support received for this schedule and we have sought to address all of the responses received to improve it further.

1.7. In relation to the points noted above:

- We recognise that the use of cross-references to the Technical Specification may cause problems at this stage as this detail is still being developed. As noted in Chapter 2 we aim to develop the Technical Specification content over 2019 and 2020 and we will consult on it with stakeholders. We expect that the digitalisation of the REC will provide significant improvements to the readability of this schedule, for example in linking through to other parts of the REC and

³⁶ See: <https://www.ofgem.gov.uk/publications-and-updates/way-forward-development-retail-energy-code-and-retail-code-consolidation>. This document summarises responses to Q5.1, 5.7, 5.8, 5.16 and 5.17 of Chapter 5 of the October 2018 consultation.

providing information on defined terms. Note that we have also removed several references to the Technical Specification where it has now been possible to put timescales in the Registration Services Schedule for when activities should take place.

- We have amended Section 14 to clarify that a registration deactivation request can only be submitted for an electricity RMP that is Terminated, ie where the service cable has been removed and will not be reused.
- We will give further consideration to the Supplier of Last Resort arrangements to ensure that they are able to operate in the new environment. We will determine if any changes are needed to this schedule, or other parts of the REC, once this work has been completed. We also note that further work on SoLR arrangements is being progressed as part of Ofgem’s Supply Licensing Review. We will monitor progress in this area to ensure that the REC is aligned with its proposals.
- We are not requiring that the switch notification from CSS to the losing MEM/DC and DA replaces existing de-appointment arrangements. As described in Chapter 4, we are consulting on which code(s) should contain the appointment and de-appointment arrangements.

Question 5.3: Do you agree that the draft Address Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.8. Of those that responded on this question, most agreed that the Address Management Schedule met the required standards set out in the Regulatory Design Principles.

1.9. Several respondents asked questions and offered suggestions to improve the drafting. The key issues are described below:

- One respondent asked how suppliers would provide updated MPL addresses to GTs and DNOs.
- One respondent said that GTs and DNOs should be provided with the updated REL address once CSS had made a change.
- Some parties offered suggestions for how the quality of the REL Address should be monitored.
- One party requested further detail on the reliability of the REL Address Data Quality Indicator (now known as the Address Quality Confidence Score).
- One party questioned the “all reasonable steps” obligation to ensure the accuracy of address data and what was meant by a requirement to “promptly” take action. They were concerned that this could be interpreted differently by parties.
- One party suggested that there should be a requirement on the CSS Provider to cooperate with Gas Transporter and DNO investigations on an MPL address.

Ofgem response

1.10. We welcome the strong support from respondents that the Address Management Schedule meets the Regulatory Design Principles.

1.11. In relation to the points noted above:

- MPL Addresses will be mastered by GTs and DNOs on UK Link and MPAS respectively. We expect that the rules for suppliers to query MPL Addresses will be set out in the UNC and the code that holds the MPAS rules.
- We note the request for GTs and DNOs to be provided with updated REL address. This has now been agreed through Switching Programme Change Request CR-E12 and the drafting of the schedule has been updated accordingly.
- We note the suggestions from some respondents on how the quality of the REL Address should be monitored. We think that these proposals should be considered by: the REC Performance Assurance Board when it is performing its proposed requirement to review and update the REL Address Performance Standards; and by the CSS Provider when it is reviewing the accuracy and quality of REL Addresses and preparing its methodology to meet the Address Quality Objective described in the schedule.
- Work to develop the Address Quality Confidence Score is underway now that DCC has procured service providers to deliver the CSS. We expect further information to be provided to stakeholders in due course.
- We have removed the “reasonable steps” element to the data quality requirements and we will rely on PAB taking a risk based approach to enforcement and Ofgem acting reasonably and proportionately when considering enforcement action.
- We agree with the suggestion to add requirements on the CSS Provider to cooperate with GT and DNO investigations on MPL address and have amended the schedule accordingly.

Question 5.4: Do you agree that the draft Data Management Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.12. Of those that responded on this question, most agreed that the draft Data Management Schedule met the required standards described in the Regulatory Design Principles.

1.13. Several respondents provided comments and the key ones are set out below:

- Several respondents thought that the REC Code Manager should be responsible for collating Switching Domain Data and providing that to the market, rather than this being the role of Data Masters. This was because the REC Code Manager would provide a single point of contact to coordinate provision and review accuracy. Other respondents agreed with our position that Data Masters should provide data directly to the CSS as this would be the most efficient

route and reduced the potential for delays and inaccuracies from there being an additional step in the process.

- One respondent expressed concern that new terms were being used in the schedule and that this may cause confusion if they renamed existing, well understood terms.
- One respondent noted that the draft schedule pointed to additional detail, for example on CSS message definitions, being described in the Technical Specification, which was not provided for review. One party asked for clarification on why some information was being included in the schedule and other information was proposed to be included in the Technical Specification.
- One party asked where information on the Data Owner would be set out.

Ofgem response

1.14. We welcome the support received for this schedule. In relation to the points noted above:

- We continue to believe that Data Masters should be responsible for providing Switching Domain Data to the CSS and Market Participants. We think that this reduces the potential for delays and inaccuracies from there being an additional and unnecessary step in the process.
- We note the concern around the use of new terms. Where possible we have used terms that are familiar. However, the development of a new dual fuel switching process and code means that this is not always possible or desirable. We think that our proposals on digitalisation should help readers understand the meaning of defined terms without having to refer back to the REC Interpretations Schedule.
- As noted in the main body of this document, the REC Technical Specification will be developed during 2019 and 2020. Once we have clarity of the drafting of the Technical Specification we will review how it fits together with the Data Management Schedule and if any changes are needed, eg to provide additional detail into the Data Management Schedule, to reduce cross referencing and improve readability.
- Information on the Data Owner for each Data Item will be included in the Data Specification which will form part of the Technical Specification. Further information on the Technical Specification approach is set out in Chapter 3.

Question 5.5: Do you agree that the draft Interpretations Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.15. There was strong support for having a standalone schedule for definitions to improve visibility.

1.16. We received several comments on the draft schedule:

- One party said that Local Time should be defined with reference to UTC rather than Greenwich Mean Time.
- Some parties noted that the definitions would need to be updated as the REC drafting developed and other programme decisions were made.
- One party was concerned that shippers were not parties to the REC
- One respondent suggested defining Independent Gas Transporters and Independent DNOs separately from GTs and DNOs
- One party suggested that any references in the Interpretations Schedule to other documents should contain embedded links to make navigation easier.

Ofgem response

1.17. We welcome the strong support received for having a standalone Interpretations Schedule and that it meets the required Regulatory Design Principles.

1.18. In response to the comments raised above:

- Smart Metering and its meters function in Universal Time Clock (UTC), while other Central Data Services, as well as the suppliers' and network operators' systems, function according to local time. During winter, UTC and local time are aligned. When British Summer Time (BST) is in force, local time is one hour ahead of UTC. We consider that definition of Local Time is therefore correct but will continue to review alignment with the design requirements.
- We note that the Interpretations Schedule will need to keep in alignment with the drafting in other schedules as the policy develops and changes are made. We aim to control change to this schedule (and other schedules) once they are baselined through the Switching Programme Design Authority and the Regulatory Group. This is discussed further in Chapter 6.
- We continue to believe that shippers do not need to be parties to the REC. At the moment, their key interaction with the arrangements described in the REC relate to the receipt of notifications from the CSS and access to data through enquiry services. As with metering agents and MAPs, we do not consider that receipt of notifications requires a company to be a party to the REC, they will have commercial incentives to ensure that they have the appropriate systems in place and are not required under the REC to provide information.
- We have not at the moment separated IGTs and GTs or IDNOs and DNOs. This is because they do not have separate requirements under the REC. If this becomes the case then we will amend the schedule.
- We note the request to embed links into the Interpretations Schedule. The specific request was in relation to Switching Programme documents required for the DBT Phase. We propose not to embed these as the links may change if these documents are updated. However, will fully expect this issue to be addressed as part of the digitalisation of the enduring REC.

Question 5.6: Do you agree that the draft Entry Assessment and Qualification Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.19. Of those that responded on this question, most respondents agreed that schedule met the required standards set out in the Regulatory Design Principles.

1.20. We received several comments on the draft schedule:

- One respondent noted that the Entry Process should not be a barrier to new entrants and questioned the proposal to Qualify all existing parties as part of testing for go live.
- Some respondents queried the need for Gas Suppliers to undertake testing as a potential barrier to entry while others supported the harmonisation of requirements between electricity and gas.
- Two respondents asked for more detail on the definition of Material Change that would require Re-Qualification.
- One respondent commented that it was unclear who needed to be Qualified and queried the meaning of Market Role.

Ofgem Response

1.21. We welcome the general support for this draft schedule. In relation to the specific points noted above:

- We strongly believe that REC parties must undertake testing during the DBT phase, prior to being able to operate in the market. These assessment arrangements will be reflected in the enduring entry testing requirements for suppliers and DNOs. We think that any requirements on new entrants must be proportionate and we have therefore required that PAB provide instructions to the Code Manager on how to address the risks that it has identified. Once a REC party has passed the necessary tests during the DBT phase they will be deemed to be "Qualified".
- We note the concern from some parties that gas suppliers should not be required to go through entry assessment and re-qualification. We continue to think that this is sensible measure, which will protect the interests of consumers. By extending this protection to the gas market and harmonise arrangements with electricity. As noted, we want any testing requirements to be proportionate and require that PAB provides instructions to the Code Manager on how to manage the risks it has identified.
- We have not amended the definition of Material Change at this point. Our definition allows for further clarity to be provided by the PAB. We expect the PAB to take a risk based approach to providing any guidance on the definition of Material Change.
- We have clarified in the schedule that gas and electricity suppliers as well as DNOs must complete entry assessment and are subject to requalification

requirements if they undertake a material change. We have drafted the schedule so that the entry assessment requirements within these Market Roles can be tailored to meet the scope of the intended market activity, for example, if a supplier only wants to operate in part of the market.

Question 5.7: Do you agree with our proposals that:

- **PAB, as part of its role in mitigating risk to consumers and the market, should provide information to the REC Manager on the specific risks that it wants to be mitigated and assured against through Entry Assessment and Re-Qualification;**
- **The Code Manager should have clear obligations to support the Applicant and coordinate with other code managers; and**
- **Suppliers that undertake a material change to their systems, processes or people should undertake Re-Qualification?**

1.22. Most responses agreed with the proposals. One respondent noted that as the Performance Assurance Board proposal was not significantly formed that they were unable to confirm if they supported this approach. Another respondent said that any Re-Qualification requirements should take into account the supplier's previous performance in the market.

Ofgem Response

1.23. We welcome the high level of support for the three proposals noted above.

1.24. The PAB arrangements are described in Chapter 1 and we continue to think that its constitution and terms of reference support it identifying the risks to consumers and the market that should be managed by the Code Manager.

1.25. We note the proposal that previous performance should be taken into account when a supplier applies for re-qualification. We agree that this can be part of the planning discussions between the Code Manager and the applicant. However, it will be for the Code Manager to consider what the best approach is, taking into account all of the facts, including the scale of the proposed changes.

Question 5.8: Do you think that PAB and the REC Manager should work with service providers to identify and mitigate risks associated with material changes to their systems, processes or people?

1.26. Most responses agreed that PAB and the REC Code Manager should work with service providers to identify and mitigate risk.

1.27. Two respondents opposed the proposals with one favouring of self-governance and the other stating the proposals were not significantly formed to be able to make a view.

1.28. Two further respondents also expressed caution on how this would work and the benefit of such an approach. One suggested that any interaction should be managed through the REC party responsible for the service provider.

Ofgem Response

1.29. We remain of the view that the PAB and the REC Manager should have a role in assessing the extent to which any material change proposed by a relevant service provider may present a risk to the market arrangements, and seek to mitigate those risks accordingly. In some cases this may be simply to ensure that all relevant parties are proactive and comprehensively briefed on the nature of the changes, but others may require a collaborative approach to testing and or contingency planning. If the PAB and/or REC Manager considers that the risk to market participants is too great and/or that mitigation measures will not adequately address those risks, they may request a variation to the service providers approach. We do not consider that it would be helpful or practicable at this stage to prescribe the form that such planning may take, but would expect that to emerge as part of the PAB risks assessment(s).

Question 5.9: Do you agree that the draft Service Management Schedule meets the required standards set out in the Regulatory Design Principles including whether we have set out clear and workable roles and responsibilities for Market Participants, service providers and the Switching Operator that will support the effective operation of the new switching arrangements? If not, please describe how you think it should be improved?

1.30. There was broad support from respondents that the draft Service Management Schedule met the required standards set out in the Regulatory Design Principles.

1.31. We have sought to address all of the points raised. Some of the main comments are set out below:

- One respondent requested further detail on the service standards that service providers would be held to and noted the example of the Data Services Contract between the CDSP and industry.
- Some suppliers requested further information on when notification of higher than expected demand needed to be provided to the Switching Operator.
- One supplier noted the reference to the associated costs or reporting being charged to market participants. Its view was that there should be a base level of reported that was included within standard REC charges.
- One respondent (that would be Switching Data Service Provider for the purposes of this schedule) expressed concern at the operation service standards that they would need to meet (eg for Service Desk availability). It said that these were higher than their current arrangements and would lead to additional costs.

Ofgem response

1.32. We welcome the general support for this draft schedule. In relation to the specific points noted above:

- Each Switching Data Service Provider will be required to have a service specification in the REC Technical Specification. These service definitions will set out the service standards that each service provider will need to meet. They

will also set out further detail on how the service management arrangements will operate together between the different service providers.

- We have discussed the request for further information on when notification of higher than expected demand needed to be provided to the Switching Operator. Its current view is that the CSS will have the capacity to manage all expected demand. If new industry ways of working mean that it needs to manage demand then it will consider what guidance should be provided.
- In relation to the costs of reporting, we support the view that it may be appropriate for some information provision to be incorporated within standard REC charges. We will work with DCC to develop proposals for reporting arrangements and will consult stakeholders through programme governance.
- We note views from one respondent about the level of the service standards required. We expect that these should be set at the level to efficiently deliver the programme objective and the requirement of the Design Baseline 4. The service standards included in the draft schedule were indicative. As noted in the response to the question below, the service standards are being removed from this schedule and will be included in service definitions in the Technical Specification. These will be developed over the coming year and consulted upon with stakeholders.

Question 5.10: We also welcome views on the draft service levels set out in Appendix B of the draft Service Management Schedule.

1.33. Respondents broadly considered the proposed service levels to be a good starting point. Some said that further detail was required and others made suggestions for how the service standards should be shaped.

Ofgem response

1.34. As noted above, we have removed the service standards from the Service Management Schedule. These will now be included in the service definitions included in the Technical Specification. We will consider the points raised by respondents as part of the work to develop the service definitions.

Question 5.11: Do you agree that the draft Switch Meter Reading Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.35. The majority of the respondents to this question agreed that the draft Switch Meter Reading Exceptions Schedule met the Regulatory Design Principles.

1.36. One respondent highlighted that the schedule has been based on current switching arrangements and these are not believed to deliver or meet the expectations of a next day switching model. They suggested that there should be changes to the timelines in the BSC and UNC.

Ofgem response

1.37. We welcome the broad agreement that the draft Switch Meter Reading Schedule meets the required standards set out in the Regulatory Design Principles.

1.38. We note the concern that it does not meet expectations for a faster switching. Our view is that the arrangements will support the resolution of consumer problems associated with inaccurate opening and closing meter reads under the new switching arrangements. We note that industry could also undertake work now to either improve the current process or to develop changes that could be incorporated in the REC once this schedule has gone live.

Question 5.12: We welcome views on whether we should retain or amend the remit of the proposed Switch Meter Reading Exception Schedule beyond domestic consumers and electricity NHH consumers.

1.39. Of those that responded on this question, there was near unanimous support for the proposal to extend the Switch Meter Exceptions Schedule to Non-Domestic Suppliers. It was recognised that this would apply predominately to Micro-Business Consumers. Respondents also highlighted that in the future, the majority of consumers will be settled on a Half-Hourly basis in the electricity market, including Micro-Business Consumers, and that this may reduce the scope of this schedule.

Ofgem response

1.40. We believe that there should be effective problem resolution for all consumers that disagree with their opening or closing meter read. This should be regardless of whether they are settled on a Half-Hourly or Non-Half Hourly basis or whether they are domestic or non-domestic.

1.41. As noted in Chapter 3 we are consulting further on whether the arrangements, now described in the Consumer Facing Switching and Billing Problem Schedule should be extended to all non-domestic suppliers, for Micro-Business Consumers only, or not at all.

1.42. Our initial view is that:

- Rules should be extended to cover Micro-Business Consumers given that they have very similar characteristics to domestic consumers.
- Arrangements for domestic and micro-business consumers should be extended to those that are settled on a Half-Hourly basis. This is because it is likely that an increasing number of these consumers will be Half-Hourly settled in the near future. We also note that a customer that is settled on an Half-Hourly basis, for example as a result of having a smart or advanced meter installed, may still be billed based on Non-Half Hourly register readings. In that case they might still dispute the reading that they have received on their closing bill.

Question 5.13: Do you agree that we should move any requirements to obtain and process meter reads for settlement purposes into the BSC and UNC?

1.43. The majority of respondents were supportive of moving the requirements relating to the obtaining and processing of switch meter readings to UNC and BSC.

Ofgem response

1.44. We agree with the views on the majority of respondents that requirements to obtain and process meter reads should be incorporated in the BSC and UNC. We will monitor the developments on the consequential changes to the UNC and BSC to ensure that these requirements are incorporated.

Question 5.14: We welcome views on whether the Switching Meter Reading Exception Schedule should make specific provisions for consumers with smart gas meters.

1.45. There were mixed views on this question with many respondents suggesting that changes were not required to the Switching Meter Reading Exceptions Schedule to account for the requirements of consumers with smart gas meters.

1.46. Those that suggested that changes should be made noted that there was potential for discrepancy between the registers used by the gaining and losing supplier to cause confusion on what the opening and closing meter read should be. One respondent said that there should be greater prescription on the use of registers.

1.47. Another respondent said that there should be a harmonised approach between gas and electricity and noted there were arrangements for electricity smart meters where a Losing Supplier has not received a proposed meter read from the Gaining Supplier in 10 Working Days.

1.48. One respondent suggest that the draft schedule be amended to allow a replacement read to be collected remotely rather than, as suggesting in the drafting, by either the consumer or the meter reading agent.

Ofgem response

1.49. The current roll-out of smart meters is gathering pace and we expect that the Consumer Facing Switching and Billing Issues Schedule (in which the Switch Meter Reading Exceptions Process will now sit) will not have effect until mid-2021. If parties have concerns, or are starting to see issues in practice around opening and closing meter readings for consumers with smart meters, then we would strongly urge these to be raised through current code governance forums. We propose to monitor code developments in this area and we will make changes, as necessary, to the REC to reflect any changes agreed to the current arrangements.

1.50. We agree with the suggestion to include remote reading as one of the methods to object a meter reading where the Initiating Supplier, Associated Supplier and Consumer can't agree an acceptable switch meter read (see Section C4.9). We have amended the draft schedule to incorporate this.

Question 5.15: Do you agree that the draft Debt Assignment Protocol Schedule meets the required standards set out in the Regulatory Design Principles? If not, please describe how you think it should be improved?

1.51. The majority of the respondents to this question agreed that the draft Debt Assignment Protocol Schedule meets the Regulatory Design Principles.

1.52. One respondent believed that there was not a clear rationale for maintaining the Debt Assignment Protocol (DAP) as a separate Schedule and suggested including the requirements in the overall Prepayment Schedule. The respondent also noted that it would be useful to include the specific data flow references in addition to the data flow names into the interface timetable for ease of reference.

1.53. Another respondent was concerned that the interface timetable implied that the Data Transfer Network was a mandated communication method when other methods are currently used for sending communications on the issues.

1.54. One respondent said that there should be more detail on making contact with the consumer after a switching request has been objected by the Losing Supplier, communicating with them and maintaining contacts with the consumer as to why they haven't been switched.

1.55. One respondent agreed that the Schedule reflected the outcome of the recent review and update DAP agreed through SPAA and MRA. However, they were concerned that it did not address the overall question of how DAP should work in a faster switching environment and did not seek to make any further improvements to the current process.

1.56. One respondent suggested that further consideration should be given to which supplier is obligated to engage with the DAP processes and the requirements on suppliers to respond and process DAP requests in an efficient and timely manner should be strengthened.

1.57. One respondent noted that the Invoicing Process was not included and should be incorporated in a future version.

Ofgem response

1.58. We welcome the broad support that we received from respondents that the draft DAP met the Regulatory Design Principles.

1.59. In relation to the specific issues raised:

- We note the view that the DAP should not be maintained as a separate schedule. However, rather than incorporating it in to the Prepayment Schedule, we have included it in the Consumer Facing Switching and Billing Schedule. This is where we think that issues and problems that consumers face when trying to switch should sit. This schedule sets out general principles for how consumers should be treated when issues and problems arise. We welcome any further views on this approach.
- We understand that, following the recommendations of the DAP working group, all data flows between suppliers for DAP must now be sent via the DTN. The draft schedule reflects this requirement.
- We note the question about contact with the consumer once a switch has been objected to. The process sets out requirements for the Losing Supplier to provide information to the consumer at this point in time on why an objection has taken place and the steps that will need to be taken to have the debt assigned.

- We have considered the question of how DAP would operate in a faster switching environment. Our view is that the process would continue to work once the new arrangements go live. We recognise that we have not made any material changes to try to improve the process at this point in time. This is because DAP has recently undergone a review. We think that a further review could be undertaken at a later date, and could incorporate the assignment of credit balances as well as debt.
- That said, we note the suggestions that further consideration should be given to which supplier is obligated to engage with the DAP processes and the requirements on suppliers to respond and process DAP requests. We think that the drafting is clear in this regard. We have also added additional detail on when activities should take place so that it is clear, for example, that any communications between suppliers and with the customer should happen promptly.
- The Invoicing Process has now been added to Section G3.6 and G4 in the draft schedule.

Appendix 2 – Switching Programme Change Requests

Table 4 below describes the Switching Programme Change Requests that we have taken into account when updating the Registration Services, Address Management and Data Access REC Schedules.

Further details on the Change Requests can be found on our website <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-change-management>

Table 4: List of Switching Programme Change Requests

Registration Services		
Reference	Title	Description of changes made
CR-E01	Gate Closure for Change of Shipper Registration Event	Change required to remove footnote 18 from Registration Services schedule (which referenced that this issue was being considered). Added requirement in Section 15 for Change of Shipper requests to be sent by 5pm for it to be effective from the start of the following day.
CR-E09	Forced registrations cannot be withdrawn	New rule has been added to paragraph 4.3(a) to reflect the position that a supplier will not be permitted to withdraw a forced registration.
CR-E16	Primary Meter Asset – Electricity	Section 17 of Registration Service Schedule has been amended to reference possibility of multiple MAPS associated with an RMP.
CR-E17	Registration Event elaboration	Paragraphs 15.5 and 16.5 have been reviewed and confirmed as being consistent with this change request. These paragraphs require that Change of Shipper and Change to Domestic Indicator events cannot be withdrawn.
CR-E18	Registration Deactivation elaboration	Paragraph 14.3 amended to reference the requirement that Registration Deactivations must be effective from the date that they are submitted if received before 17:00 hrs or the following day if received following 17:00 hrs. (Superseded by CR-E41)
CR-E23	Removal of the Registration 'confirmed' synch message to the Central Data Services Provider	Remove the requirement to send a sync message from CSS to DCC in Section 13 Superseded by CR-E41 (but to the same end in this case).

CR-E38	Switching Domain Data Management	Change to para 2.7 to note that all Energy Supplier Market Participant Roles referenced within an OFAF group must be associated to the same Energy Company Group. Also all Registration Requests in an OFAF group must be submitted in the same message.
CR-E41	Update to Registration Request Status, Registration Status and supporting business rules	<p>This proposal (not yet agreed by the Design Authority) has led to a significant number of changes to the schedule:</p> <ol style="list-style-type: none"> 1. Changes to the Registration Service Request and Registration Statuses throughout the schedule. 2. Require that DSP only receives two synchronisations; the validation of an Initial Registration Request or Switch Request and a subsequent synchronisation when the associated Registration becomes 'secured' or 'cancelled' (see Section 13). 3. Amend the synchronisations and notifications specified in the design following the implementation of CR-E08 so that Xoserve only receive notifications when a GT Initiated Registration is 'validated' or 'rejected', with additional notifications and synchronisations following the same pattern as an Initial Registration (see Section 4). 4. Provide greater detail and precision within the end to end design detailing the process, data and business rules associated to Registration Deactivation Requests (see Section 14). 5. Provide greater detail and precision within the end to end design detailing the process, data and business rules associated to Change of Shipper Registration Requests (see Section 15).
Address Management		
Reference	Title	Description of changes made
CR-E12	Provision of REL address updates to market participants	<p>Paragraphs 5.4.4, 6.5.7 and 7.4.5 amended to require REL Address update sync message to be sent to the Gas Retail Data Agent and Electricity Retail Data Agent.</p> <p>Section 3 amended to require REL Address Data reports to be sent to the registered supplier on request.</p> <p>Clarified in paragraph 5.4.4 that the Address Quality Confidence Score will be sent to ECOES and DES</p>
Data Management		

Reference	Title	Description of changes made
CR-E37	Retrospectively updating MPAN's Import/Export Indicator	New paragraph added to Section 6 setting out the ability of the Electricity Retail Data Agent to correct an error in the "Metering Point Energy Flow" data item. This data items describes the import/export status of the RMP.
CR-E38	Switching Domain Data Management	<p>Significant change to the drafting of the Abacus Baseline Design and Data Management Schedule following detailed review by the Switching Programme. The changes to the Data Management Schedule are set out alongside the Change Request. The change relates to the effective management of:</p> <ol style="list-style-type: none"> 1. Market Participant Role identifiers and Energy Companies 2. Market Participant Role Events 3. Market Participant Role Alliances 4. CSS Parameters and switching reference data

Appendix 3 – REC Schedules

Table 5 sets out the REC schedules available to date and identifies those we are currently consulting upon as being linked to the Switching Programme SCR.

Table 5: REC schedules

Schedule	Status	Link
1. Transition schedule	Unchanged from 1 Feb 2019 Designation	https://www.ofgem.gov.uk/system/files/docs/2019/02/retail_energy_code_designation.pdf
2. Accession Agreement schedule	Unchanged from 1 Feb 2019 Designation	https://www.ofgem.gov.uk/system/files/docs/2019/02/retail_energy_code_designation.pdf
3. Company Governance schedule	Unchanged from 1 Feb 2019 Designation	https://www.ofgem.gov.uk/system/files/docs/2019/02/retail_energy_code_designation.pdf
4. Registration Services	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_registration_services_schedule.pdf
5. Address Management	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_address_management_schedule.pdf
6. Data Management	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_data_management_schedule.pdf
7. Service Management	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_service_management_schedule.pdf

8. Entry Assessment and Qualification	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_entry_assessment_and_qualification_schedule.pdf
9. Resolution of Consumer Facing Switching and Billing Issues	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_resolution_of_cfsb_problems_schedule_0.pdf
10. Prepayment Arrangements	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_prepayment_arrangements_schedule.pdf
11. Related Metering	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_related_metering_points.pdf
12. Data Access	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_data_access_schedule.pdf
13. Interpretations	Draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_interpretations_schedule.pdf
14. Change Management	Initial draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_change_management_schedule.pdf
15. Performance Assurance	Initial draft for consultation	https://www.ofgem.gov.uk/system/files/docs/2019/06/rec_performance_assurance_schedule.pdf

Appendix 4 – Licence Modifications

A spreadsheet setting out the proposed changes to licences needed to deliver the Switching Programme and Retail Code Consolidation can be found at the following link:

https://www.ofgem.gov.uk/system/files/docs/2019/06/switching_programme_required_licence_changes.xlsx

Appendix 5 – Consequential Changes to Codes

Table 6 below lists and provides links to the work undertaken by code bodies to describe the consequential changes needed to their respective codes to deliver the Switching Programme SCR.

Table 5: Consequential Changes to Codes

Code	Link
MRA:	https://www.ofgem.gov.uk/system/files/docs/2019/06/mra_-_switching_programme_scr_consequential_changes_13062019.pdf
MRA:	https://www.ofgem.gov.uk/system/files/docs/2019/06/mra_-_switching_programme_scr_consequential_changes_summary_13062019.pdf
SPAA:	https://www.ofgem.gov.uk/system/files/docs/2019/06/spaa_-_switching_programme_consequential_changes_28022019.pdf
SPAA:	https://www.ofgem.gov.uk/system/files/docs/2019/06/spaa_-_switching_programme_consequential_changes_summary_28022019.pdf
DCUSA:	https://www.ofgem.gov.uk/system/files/docs/2019/06/dcusa_-_switching_programme_scr_consequential_changes_summary_08042019.pdf
UNC:	https://www.ofgem.gov.uk/system/files/docs/2019/06/unc_-_switching_programme_scr_consequential_changes_04062019.pdf
UNC:	https://www.ofgem.gov.uk/system/files/docs/2019/06/unc_-_switching_programme_scr_consequential_changes_summary_04062019.pdf
iGT UNC	https://www.ofgem.gov.uk/system/files/docs/2019/06/igt_unc_-_switching_programme_scr_consequential_changes_11062019.pdf
iGT UNC;	https://www.ofgem.gov.uk/system/files/docs/2019/06/igt_unc_-_switching_programme_scr_consequential_changes_summary_11062019.pdf
SEC:	https://www.ofgem.gov.uk/system/files/docs/2019/06/sec_-_switching_programme_scr_consequential_changes_summary_03062019_0.pdf
BSC:	https://www.ofgem.gov.uk/system/files/docs/2019/06/bsc_-_switching_programme_scr_consequential_changes_summary_14062019.pdf

Appendix 6 – Privacy Notice on Consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

3. With whom we will be sharing your personal data

Unless you indicate otherwise, we will make your response, as provided, available online

4. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for as long as an audit trail on decision-making relating to the questions discussed in this document should reasonably be available.

5. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

6. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use "the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this".

7. Your personal data will not be used for any automated decision making.

8. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

9. More information For more information on how Ofgem processes your data, click on the link to our "[Ofgem privacy promise](#)".