

9th September 2019

Rachel Clark
Ofgem
10 South Colonnade
Canary Wharf
London
SW1P 3GE

By email only to: switchingprogramme@ofgem.gov.uk

Dear Rachel,

Response to the Ofgem consultation on Switching Programme and Retail Code Consolidation: Proposed change to licences and industry codes.

BUUK Infrastructure Limited (BUUK) welcomes the opportunity to respond to the above consultation. This response is provided for and on behalf of BUUK's Independent Gas Transporter and Independent Distribution Network Operator Licensees (GTC Pipelines Limited, Independent Pipelines Limited, Quadrant Pipelines Limited, The Electricity Network Company Limited and Independent Power Networks Limited).

In principle BUUK support Ofgem's approach to the introduction of the Retail Energy Code, including the RECCo, Panel, Manger and other arrangements needed for the successful operation of the CSS. However, we provide comments for further improvements and recommendations on Ofgem's proposals. BUUK has engaged significantly in the Faster Switching Programme to date and are committed to ensuring the best outcomes for the industry and end consumers.

Our full response to the consultation questions can be found in Appendix 1 of this letter.

Yours sincerely

Mike Harding
Regulation Director

Appendix 1 – Consultation 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?

The change to the mission statement is significant. BUUK agree to the inclusion of efficient and effective running of the retail energy market which also specifically calls out the systems and processes. Overall, this is an improvement to the original version. However, the mission statement alone cannot deliver all of this. We question:

- how Ofgem will ensure that the mission statement is maintained, and
- what processes and policies are being established to back up the mission statement?

These remain unclear at this stage.

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

The creation of the nominations committee appears to be a sensible approach, but greater clarity is needed on the detail of how the nominations committee, on an enduring basis, will be formed and how Board members will be held to account (e.g. how would they be removed). Also, it isn't clear whether Board Members will be paid for their services, as independent members. If so, this is a significant change to current industry code governance and raises questions as to how Ofgem will be able to appoint the best people, when the majority of them will already be employed and under contract from their associated businesses.

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

BUUK have reviewed the methodology and agree that the idea of embedding a set of methodologies for the REC Code Manager to apply is a useful evolution of the principles originally set out in the consultation. The main challenge will be translating these into a set of contractual services that the REC Code Manager would perform. Ofgem will need to formulate a set of measurable criteria for each of these in order to accurately gauge performance. Instead, they would probably act more as a set of behaviours that the REC Board would judge the REC Code Manager's delivery against.

One addition to the list provided we would also include: "Ensuring a balanced and fair perspective, as representative of all parties".

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

At this time, it is difficult to disagree with any of the services currently presented in the consultation. However, these services remain very high-level and will need significant development to be in place for use in any procurement exercise(s). For instance, would the Code Change Management include the provision of legal text for REC changes? We would

envisage so, and therefore believe that this piece of work should form a priority to be ready for the REC Manager procurement later in 2019.

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

BUUK disagree with the proposed delegation of activity and certain functions around the oversight of the REC Manager to the PAB. Adding contract management to the PAB role would distort its function and risk undermining its focus on performance of REC parties with REC obligations. It also isn't clear what, if any, other functions Ofgem intend to be delegated to the PAB. Building on from this, it is unclear how Ofgem ensure that the PAB have the right expertise to be able to operate certain functions of the Code Manager, when presumably PAB members have been appointed for their 'PAB skills' rather than code/contract manager skills.

Therefore, BUUK suggest that the REC Board delegate the management of contracts to the REC Manager. Such delegation has been used in other codes to successfully reduce the workload on the REC Board, leaving them to make strategic decisions.

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?

The approach here seems to be similar to the Change Board approach as seen in the Smart Energy Code (SEC) rather than more inclusive engagement with REC parties, as seen in DCUSA. The Change Board approach has consistently been criticised by parties, particularly smaller ones, and risks the REC facing similar issues into the future. BUUK are particularly concerned that under this approach there will be insufficient representation of networks (IDNOs, DNOs, IGTs and GDNs) when it comes to decision making on changes: How will the members elected to the REC Change Panel be chosen and how will it be ensured that they have the right skills and knowledge to make decisions on changes on behalf of all parties?

The industry itself holds the majority of the knowledge and expertise; how can the Change Board be proven to represent all views. From an independents' (IGT, IDNO) perspective, knowledge in this area is very specialised and caution needs to be given when impact assessing changes. Independents differ significantly from our DNO and GDN counterparts and cannot always be grouped as 'transporters' or 'distributors' collectively.

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

The proposals in general appear sound and an evolution of the experience found in the current electricity and gas wholesale code performance assurance schemes. The idea of recruiting non-industry representatives and paying them is interesting and has some merit. It may however create some unintended consequences whereby some representatives on PAB, drawn from suppliers and other industry parties, are unable to be remunerated (it is unlikely that the terms of the current contracts with their employers would allow this) and other independent members would be. Additionally, the majority of PAB 'experts' are employed; therefore, it will be hard for Ofgem to get the right personnel in, who are out of work, or who

are willing to move or have their existing contracts negotiated to be able to participate in the committee. More thought on the practicality of this option is needed.

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?

The approach aligns with Ofgem's vision for greater control and input from the REC Manager in terms of decision making. However, the whole process needs greater clarification of how it will work in practice. A potential area of concern centres around the Code Manager calling on SMEs to assist them in their assessment of changes. BUUK have experienced in the past where changes have been assessed for impacted parties and not all impacted parties have been identified. From an Independent's perspective, and for the previous stated reason, it would be difficult to trust a Network SME to highlight and flag any risks or concerns with a modification from an IDNO or IGT perspective. The process would need to include a cross-party panel and all SMEs being consulted to carry out the assessment, even where a change is initially felt to not impact all parties.

BUUK also present further detailed comments on the Change Management Schedule:

Comments on the detail:

- **Pre-assessment process** – Appears to be flexible and includes the provision of free impact assessments.
- **Submission of changes** – seems to include an open-ended ability for any interested party to raise a change, this category isn't defined and therefore would appear to be anyone. It could therefore be prudent to include a definition of 'interested party' is needed. It would be useful to understand how submission of changes will be policed, given that any interested party can raise a change how will these be filtered to serious and genuine changes?
- **Change documentation** – this is designed to ensure accountability is upon the code manager to design and determine, in practice is fine but doesn't leave any opportunity for industry parties to formally challenge what they introduce. It is vital that the industry has an opportunity to dispute or agree to what the code manager has put forward in order to ensure the correct outcomes for the industry.
- **Change register** – includes a forward work schedule, something that the Code Manager will develop. It's unclear how the Code Manager will draft this work schedule, BUUK would expect a level of involvement and sign-off from the industry, this could be via a consultation or voted on at Change Panel. Either way, the schedule of work should also fit around other codes or ESPs work schedules, so as to either align changes, but also to avoid work schedules clashing and their not being enough industry resource to implement all change at once.
- **Initial assessment** – the code manager will be required to undertake an initial assessment of any changes (within 25 days). Again, BUUK believe it beneficial that as part of this impact assessment that the industry is consulted and at the very least given an overview of the assessment. Highlighting that Independents do differ from their incumbent counterparts (GDNs and DNOs) in terms of systems, processes and code obligations.

- **Subject Matter Experts** – BUUK note that the Code Manager will have a group of SMEs on hand to help with the development of Modifications. How these SMES will be chosen remains unclear. At the very least these should be signed-off by the industry either at board or panel level. The process of appointment needs to be a transparent one, with a clear set of criteria and experiences that the SMEs need to achieve.
- **DCC Impact assessments** – There appears to be an omission from the DCC of any obligations to provide quotes and impact assessments to defined timescales. We would strongly reject this approach, given the challenges faced under the SEC with the DCC not providing timely information and thus delaying the change process. Targets need to be set and parties held accountable for any contracts
- **No restriction in the number of alternative Mods** – recent experiences of UNC modification 0678 saw 10 alternatives being raised. This caused significant delays and required significant industry resource to reach resolution - which ultimately went to Ofgem for decision. Therefore, we suggest there may be a requirement to put a cap on this.
- **Recommendation voting** –BUUK would support the DCUSA voting option as all parties get to vote.

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?

The approach being taken appears to be reasonable. However there appears to be a lot of dependencies that need to be satisfied to ensure that everything falls into place at the right time. Therefore, how much contingency are Ofgem building into this transition of governance?

A mandatory 56-day code standstill period is a long period of time. If there were delays at any point it could significantly impact on the efficient operation of industry codes. What are the consequences of milestone slippage and the impact on other areas of the programme?

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?

BUUK agree with the approach as being both viable and comprehensive. The logic of transitional aspects to the codes, the potential for the MRASCo and SPAA Co Ltd to become subsidiaries of REC CO Ltd should aid the orderly transition of the companies. One element of concern is the sheer number of SCRs that Ofgem currently have open and whether they are capable of managing them all. It would be good to see where potentially there could be call outs between the SCRs and where there are critical dependencies/choke points between them.

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?

Key to the success of the consequential changes to industry code work is ensuring that all of the codes, including those on the periphery, are properly engaged and involved. This will be critical to mitigate any risks of governance errors as they contain considerable cross references to other codes, especially the BSC and the MRA.

BUUK highlight that the IGT UNC has been largely overlooked throughout the majority of the reviews that have taken place to date. In addition, the reviews that have taken place have lacked concrete milestones and therefore left much of the work completed to vague targets. Going forward, it would be prudent to have established plans in place and BUUK would welcome clear milestones on this.

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.

BUUK see no substantial issues or impacts with the details contained within the schedule. However, for completeness, the schedule should also include: the playback of change of supplier events to existing systems; UK Link and MPRS. An integral part of the change of supply process is ensuring that networks are updated and, as networks will have no direct interface with the CSS, we are reliant on existing systems playing these updates back to us.

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.

Due to the nature of IDNO and IGT businesses, we procure the majority of new connections for both industries and therefore are the first point of contact for the creation of new addresses. We gain many of these addresses directly from developers and from local councils. Under the schedule, we are currently 'owners' of the MLP. This makes sense. However, the MLP can be readily changed by suppliers and as owners and holders of this data, how will networks be notified of changes to the MLP if it is not being sent back to them? This is vital if networks are to fulfil their obligations within this schedule and is something that is not clear. In instances where the MLP is unclear and we are required to assist the CSS, how will networks be able to accurately do this if they do not hold the most recent addresses? This all remains unclear as it stands.

BUUK also highlights recent developments regarding the playback of the REL to networks. It has since surfaced that this now appears to not be the case, due to contractual terms with Landmark and Ordnance Survey stating that the REL can only be used for switching purposes. The REL will act as a key data item for the industry as it will be updated continuously. Since raising Change proposal 12, networks have been assured that this will be a formal requirement and built into ongoing design work. The importance of such address data is that networks need this to ensure accurate management of their networks. This is especially the case when there are emergencies and outages where we conduct site visits and serve priority customers. The non-playback of the REL puts this at risk, as networks could potentially be using out-of-date address data to service customers.

In addition, there is also omission of the IGT UNC under section 4.3. For completeness this should also be included.

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.

There doesn't appear to be any coverage within the schedule for applying sanctions on the gas supply points. This is covered off for electricity under 5.11. For completeness, sanctions around gas supply points needed to be included to ensure that appropriate protections measures are in place.

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.

BUUK agree that schedule meets the required standards.

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.

It's interesting to note that this schedule is not applicable to gas transporters but is for distribution network operators. One can only assume this is due to the relationship between GTs and UK Link compared to DNOs and MPRS. This process should not act as a barrier to entry to the market, but also be rigorous enough as for parties not to pose a material risk to the market.

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?

BUUK note that DNOs and Gas Transporters are only mandated for sections A, D and E of the schedule. However, our obligations under these appear to be non-existent, particularly around crossed meters and duplicate RMPs, (the only reference being is that the Energy Supplier may contact networks when resolving matters with particular RMPs). It is vital that networks receive all updates in relation network management, particular address updates (MLP, REL) with the example being here to help aid with consumer switching problems. Networks having the most accurate and up-to-date information will only ensure faster and efficient resolution of these issues.

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?

N/A.

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?

BUUK see no reason why these obligations relating to the resolution of erroneous switches, crossed meters, switch meter read problems and duplicate meter points, should be extended to also cover non-domestic energy suppliers.

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.

BUUK agree with the proposed introduction of the harmonised procedure for escalating delayed and disputed problems/issues. This should lead to clearer requirements so that issues can be resolved in a timely and efficient manner. The timescales suggested are challenging but set a good marker for improvements. Currently, some issues may take weeks to resolve, with there being little, if any, frameworks in place to resolve such issues. It may be prudent to nominate points of contact for each organisation for issue resolution and escalation, much like what we see under the MRA.

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.

N/A.

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.

BUUK agree with the draft related metering point schedule.

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.

We would like to understand in more detail how the funding for the provision of both DES and ECOES enquiry services will work going forward. As stated this is currently funded by GTs and Shippers for DES and DNO and supplier funding for ECOES. Under the REC DNOs and GTs will not be funding any REC costs and therefore will these services become 100% Supplier/Shipper funded?

BUUK also note that networks are not classified as Enquiry Service Users. In the current state these enquiry services are vital for BAU processes. Will networks still be able to use them in the same way going forward after CSS implementation?

In terms of misuse of data and without seeing any Data Access Agreements, the party responsible for the failure should bear the full liability, full liability should fall on the user of the data so as to protect the data owners. The completion of such agreements, as it stands, is a very burdensome activity for the industry to undertake. BUUK welcome the fact that the REC will manage these agreements going forward, much in the same way that Gemserv does it currently for electricity. However, there are always requests that differ from the normal requests, which require the agreements to be altered. In such cases we would expect the REC Manager to liaise with impacted parties to review and sign-off of the agreements.

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

The Energy Data Task Force recommendations included a presumption that all data should be made public and accessible, including the MPRN/MPAN, the logic here appears to be sound and therefore BUUK would support that this be applied to DES/ECOES replacement service.

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?

BUUK agree with the approach around the transfer of obligations to the REC in procuring gas and electricity enquiry services. Going forward, data can continue to be sourced from MPAS and Xoserve, however the service provision can logically be moved. However, it is still not clear what the total benefits of the approach would be, as well as the details in order to make this happen. A current issue is that ECOES is a MRASCo product, the industry will need to find a logical place for this to live, BUUK has suggested in question 4.3 that this could be under the DCUSA. It is also unclear how funding and costs for these services will be met, will this be recovered through RECCo or through the service providers themselves? DES currently utilises a user pays approach, which may be difficult for RECCO to manage.

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?

BUUK's view is that this should be kept as simplistic as possible. You could get the scenario whereby the RECCo are contracting with Xoserve and Gemserv for the enquiry service, with

another 3rd party acting as the enquiry service administrator. To treat both fuels the same, it makes sense for this to be the REC Manager rather than the Enquiry service operator.

Having said this, all options do appear to be logical and this is more of a question for RECCo to decide.

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.

BUUK agree that schedule meets the criteria.

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?

There are none currently that we believe should be added.

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?

No comments.

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

BUUK agree that Ofgem are best placed to coordinate and deliver the retail code consolidation process. They should, however, ensure that all relevant parties are kept up-to-date and informed at every stage.

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?

BUUK believe that the current scope appears to be adequate.

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?

Having considered every option: REC, BSC and DCUSA, BUUK has come to the conclusion that the best suited governance for MPAS would be for it to fall under DCUSA. We have set out the reasons why below:

- MPAS has always been largely a network system, from it historically being born from DNOs and now widely utilised and adopted across all IDNOs. As such it seems imprudent for it to be governed under a Retail centred code.
- Under REC governance, (or even BSC - DNOs only have 1 sole representative) networks [will] only hold a small amount of voting power. If MPAS was governed here it would mean that networks would get minimal say in changes. Therefore, it would be better for MPAS to be governed under DCUSA where networks have more say, protecting their interests and where they are already familiar with processes and procedures.
- The new connection/MPAN creation element will remain in MPAS and therefore this part of the network process should remain in a network code and not in a retail code.

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

Many of the points BUUK wished to make are outlined above, but for the purpose of the consultation we have reiterated them again below.

BSC: Currently there is only 1 sole network non-voting representative within the BSC and little other allowed input from networks. Therefore, the lack of representation is a real concern. The nature of the code also doesn't suit what will now be MPAS's main function of new connection/MPAN creation.

REC: The current voting model under the REC Panel means that there will be limited network representation. Due to the history and investment in MPAS being born from Networks it appears imprudent for this to be governed under a retail activity-based code.

DCUSA: Appears to be the best fit for networks, as outlined in our response to 4.3 above. There will need to be changes and additions to the code to build in MPAS governance into DCUSA, but this shouldn't prove to be too onerous.

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

On the face of it, it appears that the GDAA, Green Deal and their related provisions are best placed to transfer across to the REC.

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

It's a complex subject of how the REC will engage with non-licenced parties. This is something that, to date, Ofgem have given much thought to since their mid 2018 consultation where this subject was discussed substantially. Perhaps the approach to GDAA parties should be similar to one used for other non-licensed industry parties e.g. metering agents, price comparison websites, aggregators etc. The challenge will be to determine how they should be involved in the change process, funding arrangements and compliance activities. In theory, these are all achievable as industry codes are based on commercial contracts, their key difference being that industry codes are mandatory for certain organisations to be party to.

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?

Yes, it makes sense for this to be mandatory for both domestic and non-domestic suppliers. BUUK see no reason as to why this should be different.

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

Out of the three options that were presented, BUUK agree that option 3 is the most complete approach to the governance of agent appointments and MDD. This approach ensures that all provisions in this area are covered off under the same roof. BUUK do have reservations around this option still and would still require further clarification about how this would work.

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

The logic Ofgem proposes appears to be justifiable. However, BUUK believe that further thought on the details and practicalities of the proposals need be thought through. It is noted that Ofgem intend to keep the technical specifications for metering in the BSC and IGEM and depending on the option agreed, as addressed by question 4.8, could see specifications and CoPs being dispersed throughout the regulatory code landscape. BUUK believe that in order to ensure clear understanding of such documents, that have been notoriously difficult to understand, they need to be kept under close, if not the same, governance structures. Additionally, it is noted that Ofgem feel that such a move will create an opportunity to review and improve the CoPs, which is a positive. But we ask the question, who is going to undertake this task? The right personnel will be required, and this could be deemed as difficult.

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

BUUK believe that MEMs don't need to become signatories to the REC, more simply they could have their accreditation (via MAMCoP or MOCOPA) managed via the code. This would align with the current BSC and SPAA arrangements and makes sense. Although, the other approach could be that Ofgem do make them 'signatories' to the code and only turning on the relevant schedules. However, BUUK consider the first approach more suitable and easier to implement.

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

Specific change panels for different schedules of the REC would seem to be logical and a way in which the code could include different parties. These could be sub-groups of the REC Change Panel tasked with managing specific schedules of the REC. For example, a sub-group

of Green Deal Providers and Suppliers could be involved in a change sub-group for GDA issues and MEMs could be part of a sub-group for metering schedules. The approach would also help to focus resource and expertise to given change boards. If such an approach was chosen, it would be useful to see a hierarchy structure for the REC governance, in particular the groups involved with change, together with potential terms of reference, appeal routes etc.

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

N/A

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?

N/A

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

N/A

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

Whilst on the face of it the incorporation of PSR provisions seems sensible, many of the PSR obligations in the UNC and IGT UNC cover off obligations with regard to emergencies and servicing such customers. There is no mention in the proposed approach to these obligations only to SPAA and the DTC. The current change that is progressing through both UNC, IGT UNC, SPAA and DSC governance is a significant one and will help to aid sharing of consumer data in cases of emergencies. BUUK would like to ensure that any migration of these provisions will allow DNOs and GDNs fair and representative voting when it comes to further future changes. It is a growing concern that networks will face a lack of representation in the REC change process, especially with the ever-growing remit and reach of the REC.

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?

BUUK have reviewed both the GT and DNO licence changes and see no material issue with any of the changes. The only area of impact could potentially be around where the provision of ECOES and DES lies and whether these licence obligations around access to data are still relevant. This will become clear once Ofgem have made a decision.

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?

BUUK agree that this captures everything at this current time.

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?

A decision needs to be made regarding obligations around data access for DES and ECOES. The removal of such obligations would need to be made ahead of go-live, as GTs and DNOs will not be able to fulfil their licence condition if this ownership had transferred to the REC, but not removed from the licences.

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?

No comment.

Other Comments

The recent joint consultation from BEIS and Ofgem regarding reforming the energy industry codes recognises that the REC is moving in the right direction which is reassuring. The proposals for the wider reform of codes are radical and would see a fundamental change to their nature, how they are managed and administered. There is a clear risk that the proposed timescales for these fundamental changes will impact upon the development and implementation of the REC.

The envisaged timescale for the wider reforms would potentially see the REC only active for a couple of years before it would be replaced by the solution implemented by the enduring reforms. This risks undermining the viability of the REC during its implementation phases. It may therefore be worthwhile considering at an early stage whether the REC could form part of the first phase of wider code reforms and be used as the basis for the broader consolidation that is envisaged.