

Rachel Clark  
Programme Director  
Switching Programme  
Ofgem  
10 South Colonnade  
London  
E14 4PU

Email to: [switchingprogramme@ofgem.gov.uk](mailto:switchingprogramme@ofgem.gov.uk)

09 September 2019

Dear Rachel

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

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, storage and energy supply to end users. We have around five million electricity and gas customer accounts in the UK, including residential and business users.

Retail code consolidation reforms may involve complex code changes that will require effective development, management, co-ordination and delivery. We agree that Ofgem is best placed to undertake this role, and should lead the Significant Code Review (SCR) process and co-ordinate the entire suite of code modifications that will be required in order to ensure the revised arrangements are complete and coherent. The process of developing such changes should include full and effective consultation and engagement with industry parties and code administrators.

In principle, we support the proposed delivery approach for the Switching Programme SCR and the Retail Code Consolidation SCR, as well as the choreography of code and licence changes. We also support the proposal for implementing Switching Programme changes as dormant until go-live. However, we note that Ofgem previously proposed to keep code consolidation work separate in terms of delivery in order that it did not impact, or put at risk, the delivery of the more critical Switching Programme arrangements. We would like to understand how, in setting a specified date i.e. April 2021 for Code Consolidation, Ofgem will manage consequential risks to the delivery of the new central switching arrangements. Co-ordination of cross code changes is also critical to ensure changes to the REC are aligned with consequential changes to the existing codes.

We agree with the proposals for REC governance, in particular the establishment of a REC Performance Assurance Board (PAB). Poor performance by a single REC party can impact not just consumers, but other parties in the market. Independent monitoring and assurance of performance by REC parties against the standards will be vital to ensure that the REC delivers the required outcomes for all consumers. We support the proposals for appointment of members of the PAB and the RECCo Board to be based on their suitability to meet the defined requirements of

these roles, rather than relying on available volunteers to deliver the right outcomes. The proposed REC change process should address many of the issues experienced under existing codes. We welcome further information on how the constituency representation model will work, to enable all REC parties to provide input in changes that impact them.

We welcome the proposed drafting of the REC schedules, especially the increased focus on consumer outcomes and the use of plain English. However, Ofgem must not over simplify the code arrangements to the extent that they omit functional and procedural information which is fundamental to the consistent operation of the switching process. We welcome Ofgem making the REC accessible to customers. However, this must not be achieved at the expense of limiting its ability to act as an effective guide for industry parties.

We are disappointed that the REC Technical Specification was not made available as part of this consultation as many of the REC schedules make reference to this document. However, without being able to review ourselves we have been unable to determine whether the schedules provided are complete, as we cannot confirm that the references to the Technical Specification are appropriate. A review of the drafted schedules should be undertaken once this document has been made available to ensure that they are aligned with this critical document.

The proposed process and scope for the Retail Code Consolidation SCR appear appropriate. Provisions related to metering, such as Meter Equipment Manager (MEM) appointment and Meter Asset Provider (MAP) notifications should be aligned across gas and electricity and included in the REC. A reliable switching process depends on the timeliness and availability of accurate metering data. The proposed changes to metering provisions have a clear link to the mission statement and objectives of the REC. This is not the case for the Smart Metering Installation Code of Practice (SMICoP). While we agree that SMICoP should be incorporated into the REC, we do not agree that any of the requirements of SMICoP should extend beyond the initial installation of a smart metering system, as SMICoP is specifically concerned with the initial installation of a smart meter.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact Gavin Anderson, or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Mason", enclosed in a thin black rectangular border.

**John Mason**  
**Senior Manager of Customers Policy and Regulation**

## Attachment

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

#### **EDF Energy's response to your questions**

##### **Q1.1 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?**

We do not agree. The mission statement and objectives are well written, clear and concise and do encapsulate what the REC is intended to achieve. They provide a valuable reference point that all activities of the REC should align to, in particular in determining what change and development that is not

However, the mission statement and objectives cannot drive governance functions or assist in clear decision making on their own. Non-specific objectives can enable flexibility but, will be subject to interpretation, especially as part of the change process. In other codes the ability of parties to take very broad interpretations of the objectives, allows them to attribute benefit that is tenuous at best.

Additional guidance is required alongside the mission statement and objectives to explain and supports them. This guidance should be updated as the retail market evolves. The mission statement and objectives should not change over time, but what they mean in terms of consumer outcomes could change as the market evolves.

##### **Q1.2 Do you agree with our proposals on the initial and ongoing appointment of RECCo Board Members?**

We agree with the proposals regarding the appointment of RECCo Board Members.

Creating a nominations committee that will identify the RECCo's requirements and oversee the recruitment of suitable board members will result in the appointment of a board that is best suited to carrying out the required functions. The appointment of boards for other codes is often reliant on volunteers from industry. This can ensure there are individuals committed to the role, as well as having the rights skills or expertise to carry out the role effectively. We support the nominations committee being required to consult on the requirements of the Board before the appointment process commences.

We agree with the initial requirements for RECCo Board members set out in Table 1 of the consultation. It is important that the Board has expertise relevant to the different REC party constituencies. It is also critical that the Board has a wide range of functional expertise relevant to the wider considerations of REC. Expertise in data, legal, innovation and strategy are likely to be important in the development of the REC in the coming years.

**Q1.6 Do you agree with our proposals on the set-up of the REC Change Panel? Do you foresee any problems with these proposals?**

No. EDF Energy has concerns regarding the proposals for the REC Panel.

We do not support the inclusion of independent members on the Panel in order to ensure that decisions are not taken against the consumer interest. This implies that REC parties are likely to try and make changes that are not in the consumer interest, or oppose changes that are, and that mechanisms are required to prevent this.

The inclusion of independent members may offer a different perspective but they should not be needed to protect consumers. It should be the responsibility of the REC Board and REC Manager to ensure that appropriate governance, controls and responsibilities are in place that guarantee changes which do not deliver specific benefits.

Further details are required on how the constituency representation model will ensure the views of each constituency are established, especially where that constituency may not have a consistent view. There have been concerns raised about the constituency representation model used for the Smart Energy Code (SEC), which led to SEC Modification SECMP0041 (Amending the Change Board decision making rules for Modification Proposals). Any representation model needs to ensure that the views of the members of that consistency can be accounted for in the change process.

We agree that the REC Change Panel should be able to draw on relevant expertise to inform its decisions, and that it should be capable of reaching decisions quickly where required.

**Q1.7 Do you agree with our proposals on the set-up of the PAB? Do you foresee any problems with these proposals?**

We broadly agree with the proposals regarding the set-up of the PAB.

The impact of poor performance by a single REC party will have impacts not just on consumers, but on other parties in the market. Independent monitoring and assurance of performance against the standards required of them by the REC, will be vital to ensuring that the REC delivers the required outcomes for all consumers. We have seen through the Balancing and Settlement Code (BSC) arrangements how effective a PAB can be in ensuring parties meet minimum performance standards, and that arrangements are effective. Aside from the supplier charges that might be levied on suppliers, the time and effort required to engage with the PAB in regards to areas of poor performance is often sufficient to drive improvements. Codes that do not have a performance assurance framework, like the Master Registration Agreement (MRA) or the SEC, do not have effective mechanisms for addressing or improving poor performance outside of the 'breach' process. This results in operational issues that can be time consuming and complex to address.

We agree that the PAB should include members with direct operational experience, as well as members that have a wider functional knowledge relevant to the REC. EDF Energy would

support a process similar to that proposed for the RECCo Board, with the requirements for the PAB established up front, and members selected to meet those requirements. A nomination and election process should be used. However, it may be necessary to supplement elected members with additional expertise to ensure the overall membership requirements are met. Given the broad scope of the REC, and therefore the remit of the PAB, it may be necessary to have PAB sub-groups with specific expertise relevant to certain areas, for example the recently established Erroneous Transfer PAB.

EDF Energy agrees that the PAB should be established during the transitional period. This will ensure it is well established by the time the new switching arrangements go live and that the reporting and monitoring requirements are identified so they can be delivered from day one

**Q1.8 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?**

Yes. The principles outlined are appropriate and the proposed change management process is an improvement on existing governance.

We do, however, have a number of specific comments regarding the REC change process which are included in Annex 1.

**Q2.2 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?**

We support the proposed choreography of code and licence changes and the proposal for implementing dormant switching programme changes until go-live. However, we note that Ofgem previously proposed to keep code consolidation delivery separate so that it did not put at risk the more critical switching programme arrangements. We would like to understand how in driving to a specified date (i.e. April 2021) for Retail Code Consolidation Ofgem will manage consequential risks to the delivery of the new switching arrangements.

Proper co-ordination will be critical, in particular, to ensure that changes to the REC are aligned with consequential changes to the existing codes.

**Q2.3 Do you agree with the approach we have described for managing the delivery of the Switching Programme SCR and the Retail Code Consolidation SCR?**

We are supportive of the approach. In particular, we are supportive of the early publication of modification proposals in order give parties certainty as to how the codes will develop. However, we recommend that these modifications remain as live documents in order to be able to be amended to reflect any further development of the switching arrangements and/or consequential code changes.

**Q2.4 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?**

EDF Energy has provided comments on the consequential changes in Annex 1. However, it is not practical or realistic for these to be consulted on in such a fashion. We support the development of the consequential changes via the individual code groups, to ensure they are properly scrutinised.

**Q3.1 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.2 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.3 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.4 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.5 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.6 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.7 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?**

Yes. We support the removal of the Erroneous Transfer Customer Charter (ETCC) and agree that these requirements are incorporated, and better placed, in the proposed Resolution of Consumer Facing Switching and Billing Problems Schedule and the Guaranteed Standards for Switching.

**Q3.8 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?**

Yes, we agree that the relevant obligations should be extended to all Non-Domestic Energy Suppliers.

Non-domestic consumers are not routinely offered the same level of protection as domestic consumers. However, the outcome of the processes noted is, in the majority of cases, not just to address a consumer billing issue but to correct industry data. As an example the outcome of the duplicate Registerable Measurement Point (RMP) process is not just to address the consumer facing issues arising from the problem, but to correct the underlying registration data that gave rise to the problem in the first place. The same applies to crossed meters. If these underlying issues are not resolved in line with the schedules, then the data will remain incorrect and potentially impact on future switches.

We also agree that the scope of the Switch Meter Read Problems process should be extended to cover domestic and micro-business consumers who are settled on a Half-Hourly basis. While these consumers may be settled on a Half-Hourly basis, in most cases they will still be billed to register readings, usually configured to a Time of Use tariff. It is not clear in the current process how a Switch Meter Read will be generated, let alone agreed, for these consumers. This is because Switch Meter Reads are usually generated by Data Collectors for settlement purposes and subsequently used for billing. Where a consumer is settled on a Half-Hourly basis the Data Collector won't generate a Switch Meter Read for settlement, but one will still be required for billing.

Once a Switch Read is created issues, such as double billing and missing reads, which are addressed by the Switch Meter Read Problems process, will be equally applicable to Half-Hourly settled consumers. The volume of Half-Hourly settled domestic and micro-business consumers is likely to

increase over time, especially if Ofgem decide to implement market-wide Half-Hourly settlement through their Settlement Programme. It is vital that consumers are billed accurately however their supplier chooses to settle their energy.

**Q3.9 Do you agree with our proposal to introduce a harmonised 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?**

Yes, we agree that a harmonised procedure for escalating delayed and disputed problem resolutions for all problem areas would simplify processes and provide consistency. While the different problem areas within the scope of the Consumer Facing Switching and Billing Problems Schedule will have different impacts on consumers, the escalation process should be a last resort.

Creating different escalation timescales for different problems will add a level of complexity that is not necessary. The focus should be on ensuring that proper oversight of suppliers performance in this area is introduced with monitoring of the number of escalations, which should be minimal if parties are meeting their REC obligations. Therefore, we recommend this is a key focus area of the REC PAB to ensure that persistent non-compliance is addressed, and escalations are rarely required.

**Q3.10 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?**

EDF Energy agrees in principle.

**Q3.11 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.12 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?**

EDF Energy agrees in principle. We have included some points for clarification in Annex 1.

**Q3.13 What changes would you make to best align the draft Data Access Schedule to the Energy Data Task Force recommendations?**

The requirements of the Data Access Schedule are broadly aligned to the recommendations of the Energy Data Task Force (EDTF). However, the recommendations need to more apparent across the REC, not just in the schedule.



Ofgem should consider the recommendation to ensure data access is open and how the REC drafting can ensure this is the case. Industry is currently working through some issues connected with the sharing of customer data between parties, for example around consent and the basis on which data is shared. We recommend that Ofgem consider, where possible, including the requirement to share data as part of the legal drafting, to remove the need for consent.

Furthermore, we recommend that Ofgem engage the Information Commissioner's Office (ICO) and EDFT. It would also be prudent for Ofgem to consider the requirements of the ICO Data Sharing Code of Practice, currently under consultation.

**Q3.14 Do you agree that obligations should be placed on networks and suppliers to ensure that RECCo procures gas and electricity enquiry services and that obligation in the Gas Transporter and Distribution Licences can be removed?**

We agree that an obligation on all REC Parties should be included in the REC, to ensure that RECCo Ltd contracts with a service provider for the provision of gas and electricity enquiry services. Once this is in place we agree that the current obligations in the as Transporter and Distribution Licences can be removed.

**Q3.15 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?**

We agree that RECCo should appoint an appropriate party to undertake the role of Enquiry Service Administrator on the most cost effective basis possible. This could be the REC Code Manager, Enquiry Service operator or a third party.

Notwithstanding this, we note that the consultation states that a different Enquiry Service Administrator could be appointed for each Enquiry Service. We do not agree that this is likely to be the most cost effective way of delivering this role. As most parties will seek access to both of the enquiry services, we recommend a single point of contact and ownership for administration of both Enquiry Services, including for granting, managing and auditing access to the Enquiry Services.

**Q3.16 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?**

EDF Energy agrees in principle. However, we would recommend a full review of the interpretations schedule is undertaken.

**Q3.17 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?**

We have not identified any areas that are obviously missing from the REC and that would be needed to support the Switching Programme. Overall, it is difficult to review and identify anything additional in the absence of the Technical Specification. Gaps are likely to be identified over time as parties use the REC as the basis of their system and process design.

It must be ensured that the draft content of REC v2.0 can be amended on a flexible basis to address these gaps, following consultation with industry parties. Any changes to the draft baseline must be notified and made visible to parties to ensure they are incorporated into their system and process design for go-live operation of the new switching arrangements.

**Q3.18 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?**

Although we have a number of detailed comments on the content we are generally supportive of the drafting of the REC schedules. We agree that the content of the schedules is broadly correct and aligned with Design Baseline 4, subject to the minor comments we have recorded for each of the schedules included in this consultation.

We welcome the increased focus on consumer outcomes that the individual schedules are intended to achieve. This helps to provide a touchpoint which the rest of the content of each can be linked back to, and which will help guide anyone that uses these schedules. We also support the use of plain English, which makes the content of the REC more easily understandable than is the case for other codes. We do, however, have some concerns that this could come at a cost to the precision within the schedules, especially for parties' obligations. Any confusion about what needs to be done, by which party and within what timescales, is likely to undermine the REC and lead to confusion and disputes. The language used needs to be clearer than the legal text that is traditionally used in industry codes, but it should be no less precise.

Work is required to tidy up the drafting of the schedules before they can be designated into the REC. As noted in our more detailed comments there are a number of non-material issues that should be addressed, such as inconsistent use of terminology, ordering of content with the schedules and use of undefined acronyms.

**Q4.1 Do you agree that Ofgem should lead an end-to-end process to develop the code modifications to deliver retail code consolidation?**

Retail code consolidation reforms may involve complex code changes that will require effective development, management, co-ordination and delivery. As is the case for the Switching Programme reforms, Ofgem are best placed to do so. It should lead the SCR process and co-ordinate the entire suite of code modifications that will be required in order to ensure the revised arrangements are complete and coherent. The process of developing such changes should include full and effective consultation and engagement with industry parties and code administrators.

**Q4.2 Do you agree with the proposed scope of the Retail Code Consolidation SCR? Do you think any additional areas should be in scope?**

We do not currently believe any additional areas should be within the scope of the SCR.

**Q4.5 Do you agree that the GDAA and Green Deal related provisions in the MRA should transfer to the REC?**

EDF Energy supports the inclusion of the Green Deal Arrangements Agreement (GDAA) into the REC. We note that an attempt has previously been made to combine the GDAA into the MRA which was delayed due to uncertainty around Green Deal and anticipated development of REC. Industry engagement with the planned merger of GDAA into MRA was very limited and a significant amount of legal drafting was identified as being required.

We support the development of the back stop position proposed by Ofgem, while also welcoming the recommendation to undertake additional work to understand the enduring role of the GDAA. A decision is required from government on the future of green finance before any detailed work beyond the backstop should commence.

**Q4.6 Do you think GDAA parties should accede to the REC, or be engaged in governance through some other means?**

Not all GDAA parties should accede to the REC under the current arrangements. It is not appropriate that installers and finance parties, currently party to the GDAA, should be given access to the overall arrangements of REC. It would not be suitable for those parties only interested in Green Deal to have access and influence over matters not related to Green Deal.

**Q4.7 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?**

We agree that the arrangements for gas meter agent appointments and MDD should be mandatory for both domestic and non-domestic suppliers. We note that there is no distinction between domestic and non-domestic metering processes for electricity metering, under BSCP514; why there should not be any differentiation for gas metering.

Domestic and non-domestic consumers will be subject to the same switching process under the new switching arrangements. The processes and data they require to deliver reliable switching are the same, irrespective of consumer type. The key consideration of the schedule is not consumer protection but the accuracy of industry data. We recognise the positive impact accurate data can have on the industry. However, the status of the end consumer should be irrelevant when it comes to maintaining accurate industry data.

**Q4.8 Do you agree with our preferred option for governance of agent appointments and MDD, outlined as option 3 above?**

We agree that provisions related to MEM appointment and MAP notifications should be aligned across the gas and electricity markets. The switching processes for the two fuels will be the same under REC. The associated processes for appointing MEMs and receiving metering data that support a reliable switching process should also be aligned. These provisions should be aligned in a single place under the REC as proposed under Option 3, rather than trying to keep them consistent across the REC and the BSC, as proposed under Option 2.

We support the proposal, but the consequential impacts of moving the electricity provisions related to MEM appointment and MAP notifications to the REC from the BSC will need to be carefully considered. MEM appointment processes will still need to deliver the right outcomes for settlement as well as switching. Any obligations, and assurance of them through the REC PAB, will need to deliver the same outcomes for the BSC as if they were part of the BSC. Close cross-code coordination will be required between the REC and the BSC to ensure that these outcomes are achieved.

**Q4.9 Do you support our proposal for consolidating the metering CoPs into the REC?**

We agree in principle with the proposal to consolidate the metering Codes of Practice (CoPs) into the REC. However, it is not clear that this consolidation alone will deliver the benefits set out in the consultation. The consultation notes that one of the benefits of including metering CoPs into the REC is to provide greater oversight of *'data quality and provision of data for the successful operation of industry processes'*. The processes relating to the timeliness and quality of data are defined in the SPAA (RGMA Baseline document) and in the BSC (BSCP514). The metering CoPs referred to in the consultation are focussed on the more technical aspects of metering activity, rather than the timeliness and accuracy of data. It is not clear, that consolidating the metering CoPs into the REC, without including some of the content of BSCP514, will deliver benefits in terms of improved data quality.

Consolidation of the metering CoPs into the REC should enable cost efficiencies, especially for those MEM organisations that operate in both fuels and across multiple market segments. It should also ensure that the discussions around metering are oriented towards delivering a positive consumer experience. It must be ensured, however, that this does not reduce the expertise and focus that is currently afforded to technical issues, and especially the health and safety of consumers and field operatives. MEMs have significant expertise in these areas, this should not be diluted by inclusion of the metering CoPs into the REC. Further consideration will need to be given to how this consolidation will be achieved in practice.

**Q4.10 Do you think MEMs should be parties to the REC?**

We agree that MEMs should be parties to the REC.

The activities undertaken by MEMs, especially in regards to the capture and provision of metering data, are critical to the effective functioning of the retail market. Timely access to accurate metering information is critical to the reliability and accuracy of switching and billing processes. It enables suppliers to offer consumers tariffs that are appropriate to their metering equipment, and to set up account information that supports accurate billing. Aligning these processes across electricity and gas, and ensuring that they deliver quality metering data on a timely basis will improve the reliability and accuracy of consumer switching. Making MEMs party to the REC and subject to the REC Performance Assurance Framework (PAF) will ensure that these outcomes are delivered.

It must be ensured, however, that this does not increase the overall burden on MEMs which would lead to an increase in the cost of delivering metering services. These costs will be paid for by consumers, and any increase would need to be justified by the benefit gained. If MEMs are subject to the REC Performance Assurance Framework we would expect a commensurate reduction in the demands placed on them through other mechanisms, such as the BSC PAF. This must not, however, come at the expense of the outcomes required by other codes. Across the codes the obligations on MEMs should be consistent and complementary, delivering the right outcomes for both the retail market and settlement whether this is under the REC, the BSC or the Uniform Network Code (UNC).

**Q4.11 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?**

The approach will depend on the exact content of the metering Schedules, and whether it is possible to make a clear distinction between technical and non-technical changes.

In principle, where a change to the metering Schedules of the REC can be regarded as purely technical, for example related to the technical competency required to carry out a metering task, then it would be appropriate for this change to be managed by a MEM Panel. These types of changes need to be considered by those with the relevant technical expertise, and would not have a wider impact on the operation of the retail market. The MEM Panel will still need to consider the REC objectives, as well as the relevant costs and benefits, when making any determination. The decision of the MEM Panel should be able to be challenged by the REC Change Panel where they believe that this has not been the case.

Where a change to the metering Schedules has, or may have a potential wider impact on consumers or the retail market, this should be considered by the REC Change Panel. This consideration should be informed by the technical input provided by a MEM Panel, but will also include wider considerations of the costs and consumer impacts of making any changes.

**Q4.12 Which of the requirements within SMICoP, if any, should extend beyond the initial installation of the smart metering system?**

We agree that SMICoP should be incorporated into the REC. However, we do not agree that any of the requirements of SMICoP should extend beyond the initial installation of a smart metering system.

SMICoP was created to support the rollout of smart meters. The purpose of SMICoP is to engage consumers with the functionality of their smart metering system in order that they could attain the benefits of having a smart meter installed. This was deemed to be critical to the achievement of the benefits in the Smart Metering Impact Assessment, both to individual consumers, as well as the country as a whole. The benefits of creating SMICoP were clear, and justified the significant cost of implementing, operating and complying with the scheme.

The benefits of extending the requirements of SMICoP beyond the initial installation of the smart metering are unclear, and the costs of doing so are yet to be justified. It is worth noting that much of the content of SMICoP is covered by other regulation, such as the Guaranteed Standards of Performance (GSOP), the supply licences and codes such as the Distribution Connection and Use of System Code (DCUSA). There is not a distinct role for SMICoP, over and above existing regulation required to protect consumers or ensure that they benefit from the retail market after the initial installation of a smart metering system.

**Q4.13 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?**

As noted in our response to question 4.12, we do not agree that any of the requirements within SMICoP should apply to other metering related site visits. Much of the SMICoP is covered by other regulation, or is specifically relevant to the initial installation of a smart metering system. There is no clear benefit identified that would justify the extension of SMICoP to non-smart metering site visits, that would justify the costs of extending the scope of the scheme to other metering work.

**Q4.15 What are your views on our proposals for the governance and assurance of the SMICoP provisions once migrated to the REC?**

We agree with the proposals for the governance of the SMICoP once migrated to the REC. The key benefit of including SMICoP within the scope of the REC, rather than maintaining it separately is reducing the operating costs.

We agree with the proposals regarding governance but, we are concerned by the proposed approach to assurance. SMICoP has existing assurance mechanisms which parties have already implemented. Any change to them would need to follow a formal change process and be subject to a cost benefit analysis.

**Q4.16 Do you agree with our proposal for incorporating PSR provisions in the REC?**

Yes, we agree that the Priority Service Register (PSR) provisions should be included in the REC.

As noted in the consultation there is a significant amount of work ongoing in relation to the PSR, such as the potential sharing of data on a cross-sector basis. It is vital that this work is able to be seamlessly transferred under REC governance in the future.

**Q5.1 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?**

Yes, this is consistent with the current policy.

**Q5.2 Do you agree that Appendix 4 accurately describes all of the changes that should be made to licences to support Retail Code Consolidation?**

Yes, we agree that the outlined changes in Appendix 4 are appropriate to support Retail Code Consolidation.

**Q5.3 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?**

EDF Energy is not aware of any changes that, if not made prior to the switching arrangements going live, would inhibit its delivery.

**Q5.4 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?

Yes, once these provisions are included as obligations in the REC it does not appear necessary to retain these as obligations on Gas Transporters and Distribution Network Operators.

## Annex 1 Comments on draft Schedules

### Registration Schedule

General	It appears the 'make' and 'break' process is not included. We would expect make to be in Section 3 and break in Section 14.
General	There are a number of footnotes directing to sections for flow name, however there is no flow name in the section. i.e. page 46 footnote 53 says see 17.3 for flow name.
General	We would expect the ET switch process to be included here (for the actual switch) as well as in the switching and billing issues schedule.
2.3	Clarity around working or calendar days is required.
5	Step 5.6(f)(ii) refers to Green Deal Qualified in regards to registrations the validation of this step does not feature in this schedule which we would expect.

### Address Management Schedule

2.3(d)	Address quality confidence score to be reviewed and updated from time to time – We would recommend this be made more specific.
7.4.2	We assume the address is fundamental to next day switch, therefore could this 5 days for validation not prevent a switch.
7.4.6	We recommend the schedule covers a rejection process for a manually entered address.
8.4.3	A mechanism for being informed of the REL address is not included.

### Data Management Schedule

3.3(b)	We do not agree that a response should be optional.
5.12	The process between 5.12.1 and 5.12.2 does not allow any time to make the changes or handle the amendments – a lead time between should be included.

### Service Management Schedule

Section 1	The schedule is quite clear on how Service Management will be undertaken and what functions are included. However, it is not clear what this schedule is intended to achieve, specifically in terms of consumer outcomes. It would be useful to have a succinct explanation of this within the introduction that describes how service management supports the delivery of positive consumer outcomes. Some useful information is in section 1.5 but this is too far down the document and should be one of the first sections.
Section 1	The Introduction makes reference to a 'the Portal' and there are also references to the Switching Portal that occur before that terms is defined in section 3.



	References to 'the Portal' and 'the Switching Portal' should be consistent throughout the document, and where this is used in the introduction it should be signposted that further information can be found in section 3.
Section 2	Aside from Major Incidents there is no detail about whether incidents will have different levels of priority, how those levels of priority would be allocated or the timescales and SLAs associated with resolving Incidents. It is not clear what level of service REC Parties can expect to receive when engaging with the Incident Process.
2.1	Clarity is required on the nature of Incidents that are within the scope of the REC and should be raised with Switching Operator, to ensure that Incidents are not raised with them unnecessarily when they should be raised with another party or under another code.
2.10	Further information is required on how the Switching Portal bulletins will work. In the case of a Major Incident notification would probably need to be pro-active, and not reliant on parties checking the Switching Portal to see if there is an issue.
2.14	This section refers to both 'the REC Performance Assurance Board' and 'the REC PAB'; these references should be consistent throughout the document.
Section 6	It is not clear what, if any, visibility REC Parties will have of the Operational Switching Service Changes process detailed in Section 6, other than visibility forward schedule of maintenance and change through the Switching Portal. We are concerned that this does not provide sufficient visibility of change and opportunity to comment on the impacts. This process seems to reflect the process for DCC changes in the SEC, and recreate the problems associated with that process.

### Entry Assessment and Qualification Schedule

Definition	'Material change' remains ambiguous. We would recommend that the definition is amended such that it relates to a change to systems or processes that would have a reasonable expectation of an impact on that person's ability to meet its.
1.5	It is unclear what happens if the Code Manager and the Party do not agree on controlled entry conditions - can a Party appeal a decision by the Code Manager? This does not appear to be covered by the Appeals section.

### Resolution of Switch and Bill Issues Schedule

3.7c	This clause should reference the new GS standards for switching.
9.9	This clause should reference the new GS standards for switching.
5.7	Earlier escalation points will require industry monitoring; our experience is that we currently don't receive a timely response to escalations. Therefore, moving the process forward must be coupled with monitoring.
21.4	Does this suggest that the DTN may not be used?

### Related Metering Points

General	MAP 29 allows a Supplier to amend a related MPAN relationship that has not been carried forward into REC process and needs to be addressed.
2.4.1 and 3.1.1	[DX000] here relates to D0205 (Update Registration Details), not sure why this reference has not been detailed it could be considered as this could be changed which could add to costs of CSS with little benefit.
2.4.2 and 3.1.2	[DX000] here relates to D0386 (Manage Metering Point Relationships) not sure why this reference has not been detailed, as above.
3.1.1	What is process to determine what [x] days should be and given this is to update MPAS if this should be [x] working days?

### Data Access

5.4	As a Supplier we need access to ECOES and the MNumber database which we can currently download on a monthly basis via Huddle. These are not covered by section 5.4 and need to be included in services being offered by the Enquiry Service Providers.
-----	--

### Change Management Schedule

4.1	While we agree that the change process should not necessarily be restricted to REC parties, it is not clear that extending this to 'all persons' is appropriate either, and could lead to vexatious requests being raised. While these can be quite quickly dismissed by the Code Manager, some form of appropriate restriction may need to be considered.
4.5	We agree that it is sensible not to progress changes that have 'no reasonable prospect of success'. However, it is not clear how the Code Manager will be able to make that determination. Some guidance might be required in this area to ensure that this ability is used appropriately.
7.2	We agree that the Code Manager should be able to progress changes on its own without relying on industry expertise, which places a resource burden on REC parties. However, it needs to be ensured that the costs of any expert resource employed to develop changes are properly controlled and fully justified. We would welcome further detail on how the Code Manager will be incentivised to ensure that costs are minimised, while delivering a high quality service.
12	We agree that REC Change Panel recommendation should be based on their assessment of whether the change proposal would further the relevant objectives of the REC. However, as previously noted the objectives are broadly defined and may be subject to interpretation. As shown by the change processes in other codes it is often possible for two parties to have opposing views on whether a change meets an objective, or even which objectives are better met. Some guidance on how the REC objectives should be used when considering the merits of a change would be useful, and help to remove some of the subjectivity currently inherent in the decision making process.



**EDF Energy**  
**September 2019**