

Sent via email

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Rachel Clark
Switching Programme
Ofgem
10 South Colonnade
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9th September 2019

Re: Switching Programme and Retail Code Consolidation - Proposed Changes to Licences and Industry Codes

Dear Rachel,

The MRA Executive Committee (MEC) welcomes the opportunity to respond to the above consultation and supports Ofgem's proposals to bring forward retail code consolidation. To this effect, we have commenced due diligence work to gain a better understanding of how existing MRA arrangements, including relevant MRASCo Assets/ Intellectual Property Rights (IPRs) and data could be transferred to the Retail Energy Code (REC) and elsewhere as may be directed by Ofgem in an efficient and timely manner. This work has already identified a number of questions and we would welcome the opportunity to discuss these and other findings with you further once this work has concluded.

Our consultation response focuses only on those questions that impact the MRA.

If you would like to discuss our response further, please contact myself or Gemserv on 020 7090 1029 or support.mra@gemserv.com.

Yours sincerely,



Adam Carden

Chair, MRA Executive Committee

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?

We support Ofgem’s ambition to bring forward retail code consolidation and the separation of this work from the Switching Programme given that the community of market participants impacted by the Retail Code Consolidation SCR will be broader. Close and regular engagement with all impacted code bodies as well as the adoption of a structured programme approach is key to achieving the proposed delivery timelines. For further detail, please see our response to Question 4.1.

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.

We note the proposal to extend the entry requirements to Distribution Network Operators (DNOs) and that the cutover requirements from the switching programme entry assessment to steady state will be designed towards the end of the year.

However, we believe further consideration will need to be given to how the cutover requirements from the MRA to the REC will work, including how such services will be managed for the transitional period e.g. from 1st April 2021 to when the new switching arrangements are switched on (mid-2021).

To ensure a smooth transition from MRA to the REC for new and existing parties, MEC would welcome the opportunity to support Ofgem in the development of these requirements.

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?

The obligation to re-procure, operate and maintain the electricity enquiry service is already a joint responsibility of Electricity Suppliers and DNOs¹. Given that enquiry services are used by a wide community of market participants in the retail energy market and this community of users is likely to grow in the future, we believe it is appropriate for the operation and development of such services to move to and be subject to the REC mission statement and objectives.

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?

The successful delivery of retail code consolidation by 1st April 2021, will require the adoption of a formal programme structure, with clearly defined roles, responsibilities of the different code/ delivery bodies involved, including clear reporting structures for the escalation of risks and issues that might have knock on effects on Ofgem’s overall delivery plan and/or the individual delivery plans of other code/ delivery bodies. This is particularly important for the MRA, as existing arrangements (including MRASCo Assets/ IPRs and Data) might be migrated to multiple industry codes (e.g. MPAS provisions) and the timings for any asset transfer agreements are likely to be dependent on work that is being progressed by the programme (e.g. development of a single Retail Data Catalogue).

¹ Please see MRA Clause 31.1 for the detail.

In the June 2019 consultation document, it is not clear how the programme for the delivery of the Retail Code Consolidation SCR would be structured. We would welcome clarification and early views from Ofgem on this.

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?

Yes, we broadly agree with the proposed draft scope of the Retail Code Consolidation SCR.

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

To realise the full benefits of retail code consolidation, we believe Green Deal related provisions in the MRA and GDAA should be governed under the REC in the future. We are therefore supportive of Option 2 (Transfer all Green Deal related provisions from GDAA and MRA to the REC). Prior to the incorporation of Green Deal provisions into the REC, we believe existing requirements need to be reviewed to ensure these are proportionate to the size of the scheme and where the scheme may be in the future. Rather than starting afresh, we believe the MRA/ GDAA merger work could be used to help inform the development of the new requirements under the REC. We would also be happy to share with Ofgem any lessons learnt from this work.

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?**

As per our answer to Question 3.14, we believe there are merits in moving obligations relating to the maintenance and operation of the above-mentioned services, used by a wide community of market participants in the retail energy market to the REC. This coupled with a clear obligation on the RECCo Board to ensure these services are operated and developed to best meet the mission of the REC should ensure greater alignment between electricity and gas, and a faster pace of innovation of those services in the future.