



Name: Alison Price
Phone: 07557 202065
Email: alison.price@npower.com

Rachel Clark
Switching Programme
Ofgem
Via email only

23rd July 2019

Dear Rachel,

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

npower welcomes the opportunity to review this consultation.

This response solely covers the five questions where the consultation asks for responses by 29th July. Our responses on the remaining questions will be provided at a later date and within the requested deadline of 9th September.

We broadly agree with the proposals for the REC scope of services and set up of the REC Manager, plus we have suggested a couple of additions.

With regards to governance of MPAS we feel this would best sit within DCUSA. This is because the DNO's are obliged under licence to provide MPAS and to produce a MPAS charging statement and the DCUSA already provides a vehicle for issue of other DNO charging statements. Also the governance arrangements are in our view most suitable for on-going management of any MPAS-related change.

I trust you find this response helpful and please do contact me if you have any further questions.

Yours faithfully,

Alison Price
Regulation and Compliance

[Npower](http://www.npower.com)
Npower Group limited
Trigonos
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB
www.npower.com
Registered office:
Npower Group limited
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB
Registered in England
and Wales no. 8241182

npower response to consultation questions

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

Yes, we are supportive of the proposed methodology.

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

We consider the scope of the services to be a good foundation upon which to develop the REC. It is recommended that all the items within scope have suitable quality criteria, and indeed that the successful applicant for the REC manager role is suitably qualified, and an expert in their field.

Further, to support new entrants it would be helpful for the REC Manager to host stakeholder engagement days, training sessions, webinars, informative media clips and reading material.

With consideration to the critical friend role of the REC Manager, we would like to see the REC Manager providing expert interpretation on code queries, as they should have expert knowledge of the REC.

In addition we would recommend there is a comprehensive ratification / arbitration service within the REC Code Change Management process, with the use of the Panel to review decisions (as necessary). This would be a similar model with gas change management where the SPAA Executive Board would be involved in the decision making process. For completeness, there is the requirement for a comprehensive appeals process to be in place and we welcome further consultation on the details of this.

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

We are generally content with the proposals as far and agree that the REC PAB should assess the performance of the REC Manager as well as other industry parties. However, this should go a further in circumstances where parties consider that the REC Manager has underperformed, for example there could be an incentive regime, or a framework for managing and resolving performance issues.

Q 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?

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

Npower response to questions 4,3 and 4.4:

The npower preference is for MPAS governance to move to DCUSA. The present licence conditions are for DNOs to meet, which better sits with the main focus of the DCUSA being a network focussed code.

If DCUSA is not the preferred option, then we see the BSC as the next best choice. Elexon have experience of successfully implementing large change and will be managing the transition to market wide half hourly settlement making BSC a sensible second choice.

However, it is critical this inclusion would not be at the detriment of managing electricity settlements.

To separate MPAS governance by function is an interesting option and we would be interesting in reviewing more detailed proposals of how this could potentially work. Within this we must consider the efficiency and costs. For it to succeed there would need to be water tight arrangements in place between Code Managers and collaborative cross code working and alignment would be essential.

Above all we feel the REC should remain retail focussed and as a result it should not house MPAS governance

END OF DOCUMENT