

Peter Davies
Smart Energy Code Panel Chair
SECCo Ltd
8 Fenchurch Place
London, EC3M 4AJ

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

25 July 2019

Dear Rachel,

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

The Smart Energy Code (SEC) Panel welcomes the opportunity to respond to Ofgem's consultation on the 'Switching Programme and Retail Code Consolidation: Proposed changes to licences and industry codes'. This response represents the collective views of the SEC Panel which were discussed and agreed at the July 2019 Panel meeting.

Whilst the SEC Panel do not feel it appropriate to respond to every consultation question, as individual SEC Parties are better placed to do so on the matters expressed, they have set out below their views on the relevant areas of the consultation.

REC Governance arrangements

Whilst the SEC Panel have no comment on the general governance arrangements as set out in the consultation, they do believe that lessons should be learnt from across the industry when setting the governance of the Retail Energy Code (REC). There should be clear accountability and responsibility for the management of Service Providers and that any obligations set out in the REC are suitably backed off in any relevant contracts.

Delivery Approach – Q2.1 'choreography of changes'

The SEC Panel are supportive of using the Significant Code Review (SCR) mechanism as it will ensure all changes are progressed and implemented as part of a coordinated approach.

However, it is unclear how the intended method of introducing dormant changes into the SEC will work in practice. SEC Parties, particularly Network Parties, will require certainty over the obligations in the SEC so they may amend contracts with their service providers. It appears from the consultation that whilst there will be certainty over the amendments to the SEC by Q1 2021, there will be no certainty over when such changes will take effect until imminently before the go-live date.

The SEC Panel request that there is clear communication from Ofgem setting out as soon as possible when changes will be implemented, and that all industry Parties are clear of what is expected of them in adhering to the amended arrangements.

The SEC Panel also note that it is their assumption that since the consequential changes as set out in this consultation only remove obligations on RDPs, and place identical obligations on the CRS there should be no DCC systems implications to deliver under SEC governance on 1st April 2021.

Licence condition changes

The SEC Panel have no comments on the specific licence changes. However, they would like to reiterate that the regulatory framework should ensure that there are no conflicts for the DCC in meeting their obligations under both the SEC and the REC. Further, the Panel would like to seek assurance and regulatory oversight to ensure that the additional Data Communications Company (DCC) role does not diminish or detract from compliance with the DCC's obligation to meet their SEC obligations. For example, the Panel are aware that the same service desk is being used for both the SEC and the REC and want to ensure there is no detriment to the service experienced by SEC Parties.

If you would like to discuss our response, please contact SECAS in the first instance on 020 7090 7755 or secas@gemserv.com.

Yours sincerely,

A handwritten signature in black ink that reads "Peter Davies". The signature is written in a cursive, slightly slanted style.

Peter Davies
SEC Panel Chair

Copied to: SEC Panel Members and SEC Parties.