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Please find below the SPEN response to the 'Switching Programme and Retail Code Consolidation: Proposed changes to licenses and industry codes'

For the avoidance of doubt, we have included the responses to the initial consultation areas submitted on the 29/07/19, relating to the REC Manager Role, and future MPAS governance for consistency.

Our responses are based on the schedules at this point in time, and while we expect that these may change as the 'Faster Switching' work progresses, we look forward to reviewing the further consultations in respect of this

This response is not confidential.

Please feel free to contact me if there is anything in the response that you wish to discuss further

Kind Regards

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Rec Governance

<p>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?</p>	<p>We are supportive of the amendment to the Mission Statement and feel that it better reflects the focus of the REC in terms of Customer outcomes. The focus should first and foremost be on the efficient and effective running of the REC Related processes (this by default benefits the customer). Innovation and Competition are applicable where relevant and should not necessarily be the focus of the REC. However we believe that this is a key focus if positive impact on the customer and the Energy Retail market can be demonstrated.</p> <p>We believe that these points are demonstrated in the objectives (as effective 01/01/19).</p> <p>We believe that the mission statement, and objectives demonstrate a drive to be more forward looking and open to change and improvement, and that due consideration will be given to innovation. We believe that the reference to Customer Outcome in these areas is a very relevant reference as in the majority of cases the customer ultimately picks up the cost of industry change. The customer is extremely relevant in Objective, as the benefit vs Cost to the customer should be a major driver in the change process.</p>
<p>1.2: Do you agree with our proposals on the initial and ongoing appointment of RECCo Board Members?</p>	<p>We believe that the Interim RECCO Board has worked well as an interim solution.</p> <p>In terms of an enduring solution we are supportive of moving towards a model similar to the ' P281 Alternative' Industry process where the process is codified and would be supportive of the introduction of a Nominations Committee to progress going forward. Key areas for consideration in this process will be the identification of 'RECCo Requirements'. This must be taken as a longer term view, while being cognisant of the 'teething problems' that may arise.</p> <p>We are supportive of Ofgem appointing the initial Nominations Committee, and for this committee to include representation from the current RECCo board members, we believe that the current interim board members will bring with them knowledge of any issues to date in the set up process, and the knowledge of their constituent base areas.</p>

	<p>As an enduring process we would expect that an initial and regular 'lessons learned' exercise is carried out alongside 'pro-active assessment particularly when vacancies arise to assess if the key experience and expertise requirements have changed, or indeed if there are key known future areas that would merit review before vacancy filling</p> <p>We believe that there is benefit in asking a nominations committee to identify the future ongoing RECCo recruitment requirements, and that this committee should initially be appointed by Ofgem. Our preference would be for the appointment of a future nominations committee to be codified, with clear boundaries and scope. We do not believe that this would limit the scope for recruitment and the reference should be robust enough not to require detailed scrutiny, but give enough scope to ensure that the appropriate skills are recruited at the appropriate time (bearing in mind that this may change over time).</p> <p>We are supportive of the RECCo board appointments being staggered, and agree that this will provide continuity and experience.</p>
<p>1.3: Do you consider that the methodology as set out above is appropriate?</p>	<p>We believe that the methodology is appropriate as detailed under section 1.17.</p> <p>We do believe that the wording in bullet 8 'proactively and innovatively engaging with stakeholder engagement' could be clearer. This could be changed to 'proactively and innovatively engaging with stakeholders'. It may also be useful to reference the 'critical friend' role at this point (as referenced in section 1.16).</p>
<p>1.4: Do you have any comments on the scope of services?</p>	<p>We have no additional comments at this time.</p>
<p>1.5: Do you agree with our outline proposals on the set-up of the REC Manager?</p>	<p>We have concerns regarding the PAB having oversight of the REC Manager functions with no additional details as to the areas that this refers to. While we can see the benefit in certain areas there are other areas that we feel that it would be inappropriate to delegate to PAB (i.e. efficient operation of the Modification process, removing barriers to change and market development, delivering innovation). We believe that there is a requirement for a clear remit (and boundaries) if the</p>



	<p>PAB is to oversee any REC Manager functions other than 'Performance Assurance and Compliance Monitoring,</p>
<p>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?</p>	<p>We are generally supportive of proposals on the set up of the REC Panel; this is in line with other Industry codes and will be tied to the mission statement and Objectives.</p>
<p>1.7: Do you agree with our proposals on the set-up of the PAB? Do you foresee any problems with these proposals?</p>	<p>While we are somewhat supportive of an 'early start' for PAB in order for appropriate understanding and clarification to be carried out if PAB is to commence in the transitional period 2020/2021. We agree that this would potentially allow time for them to 'Hit the ground running' by the time that Faster Switching goes live. We anticipate however that some areas will be more refined in terms of Assurance in the early stages. We assume that the PAB will not be engaging directly with Industry Parties at this point (other than as a potential learning exercise with parties on a voluntary basis). If performance standards have an immediate effect without a grace period, we are assuming that there will be adequate communication to ensure that all parties are aware of this.</p> <p>In reference to section 1.34, we do not feel that it is acceptable for a party to pay liabilities rather than resolving issues, and given the focus of the REC on the customer, we hope that this would not be a viable option supported by the PAB</p> <p>We are supportive of a number of options being available to remedy issues. We are supportive of a PARMS type mechanism and look forward to reviewing this in the next consultation.</p> <p>We would request that there are clear boundaries per area, and no crossover that could result in duplication of Performance indicators.</p> <p>We support the inclusion of the ability of the PAB to instruct the REC Manager to raise proposals to effect code changes where risk is identified. We believe it is appropriate for the PAB to be accountable to the REC Board. We are of the view that the inclusion of a relevant mix of people on the PAB Board would have a positive effect on delivery of the Mission Statement</p>

	<p>and objectives. We believe that the nomination and election process is the appropriate option. 1.43 - RECCo/Ofgem could invite best in metrics, might encourage best practice, we believe that there are tangible benefit in the introduction of this, however there needs to be cognizance of any 'conflict of interest' in this area if there are 'commercial best practice sharing expectations. A positive balance is required between internal/external PAB Members</p>
<p>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?</p>	<p>We are supportive of the ability of any person to be able to raise a change to the REC. Current Change processes require some parties who are not entitled under current rules to liaise heavily with other Industry Parties to raise on their behalf. The ability of any party to 'nominate' a change we believe would be more transparent and also have the additional benefit of the ability to identify consequential changes that impact on other industry parties(e.g. Agents) that currently have no recourse. We would be hopeful that the ability to be able to raise an industry change may encourage parties to become more engaged into the process.</p>

Delivery Approach

Questions	Proposed Response
<p>Question 2.1: Do you agree with our proposed choreography of the Retail Code Consolidation SCR, Switching Programme SCR and associated license changes, including our proposals that the Switching Programme changes will be introduced as 'dormant' before being made 'active' following Authority direction?</p>	<p>We are supportive of a firm date being applied to the revised Governance Arrangements. We agree that this will provide greater certainty (in a world where there is Flux in the other areas of Faster Switching). There is a clear benefit in ensuring that REC obligations are defined, even if they are Dormant with a prescribed 'Go-Live' date that aligns with the Delivery of Industry Faster Switching Go Live.</p>
<p>Question 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?</p>	<p>We agree with the approach described for managing the delivery of the Switching Programme SCR and the Retail Code Consolidation SCR. We believe that it makes sense to maintain an 'as living' document throughout the Design/Build/Test phases, this will ensure transparency and should ensure that come Q4 2020 (as per Ofgem's intention) that they are in a state to be presented to the Code Panels for the appropriate changes to be made. We are in agreement that working in this manner should ensure no surprises when these are presented to the Industry for review.</p>
<p>Question 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?</p>	<p>It is clear that there has been a focus on identifying the key areas across the codes where changes have been identified as required. We look forward to future engagement in these as progress is made. We feel that although the BSC document is a summary, it does not perhaps indicate the volume of work required to align this area.</p>



REC Operational Arrangements

<p>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.</p>	<p>Yes, we believe that the draft registration services schedule reflects accurately the standards set out by the regulatory design principles.</p>
<p>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.</p>	<p>We believe that the intent of the document meets the required standard, but would seek additional clarity on the points below:</p> <p>Section 4.2 -while we agree that the DNO will ensure accuracy and co-operate with investigations, we look forward to seeing more detail in the requirements to be placed on the DNO/CSS Provider and Supplier in respect of this.</p> <p>Section 4.6 It appears that there is no direct textual reference to any obligation on the CSS Provider to provide the DNO with any regular updates on the REL. We assume that as the updates following any change to the REL address are referenced in the 'Interfaces and timetable' sections in the remainder of the document, that section 4.6 references adhoc reconciliation type reports that the DNO may request. It would be useful if this could be clarified in the text.</p>

<p>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.</p>	<p>We believe that the draft data management schedule requires further clarification in terms of the timescales. Section 5.11 references that sanctions can be applied on request from the DNO following processes as per DCUSA. There is no reference to a confirmation back from the Code Manager or the CSS to the DNO to confirm that this has been applied. We believe that this is a missed key requirement as there are potential financial impacts on the DNO if the sanctions are not applied. It is unclear what the difference is between 5.10 update to status, and 5.11 update of sanctions.</p>
<p>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.</p>	<p>We are pleased that there is a commitment to ensure that major incidents are communicated to all Industry Parties. This will allow parties to assess if there is an impact on their processes and to what extent. Inclusion of the revised reference to DNO we believe ensures that an element of future proofing is included, and the requirement to revisit is mitigated.</p>
<p>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.</p>	<p>We note that a part of the enduring process there is a requirement for Supplier and DNO'S to re-qualify before implementing a change. We assume that where there is an Existing Service Provider that delivers the functional change for a shared system that an element of this testing will be covered by the ESP. We anticipate that this would be a lift and lay of the current MRA process as there is a number of Industry changes that prompt a requalification. Clarification of this point would be welcomed.</p>
<p>Question 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</p>	<p>N/A - We believe this to be a question geared towards Suppliers</p>



explain how the Schedule could be improved?	
Question 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 - We believe this to be a question geared towards Suppliers
Question 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?	N/A - We believe this to be a question geared towards Suppliers
Question 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.	N/A - We believe this to be a question geared towards Suppliers
Question 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 - We believe this to be a question geared towards Suppliers
Question 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.	We do not believe that the Related Meter point schedule represents 100% the information contained in the corresponding MRA MAP Document. The schedule appears to be at a higher level, and does not reflect the process ahead of the interaction between the Supplier/DNO.
Question 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 agree that the draft Data Access Schedule meets the required standards set out in the Regulatory Design Principles.
Question 3.13: What changes would you make to best align the draft Data Access Schedule to the Energy Data Task Force recommendations?	We believe that the draft data access schedule aligns at a high level with the Energy Data Task Force recommendations; however we feel that there is benefit in ensuring that there is an ongoing review as the Consultations progress. While we support the view that

	<p>the data should be viewed as 'open' we are cognizant that this is an area of concern for multiple Industry parties in light of GDPR, since the full development of this area is not yet refined.</p>
<p>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 Licenses can be removed?</p>	<p>We agree with the obligations on Networks and Suppliers to ensure that RECCo procure an enquiry service, and when this is in place the License obligations on DNO and GT can be removed. We note the reference to a 'User Pays' service moving forward and look forward to reviewing this in future consultations.</p>
<p>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?</p>	<p>We are of the view that the RECCo should be the party that appoints the agent responsible for the monitoring of compliance and Data Access Agreements, and ensure that there is a robust management of access to the data.</p>
<p>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.</p>	<p>Overall we believe that the draft interpretations schedule meets the required standard, however there are a few points that we believe could be further clarified (or if they are referenced in another document this should be cross referenced) Section 1.1, Note (j) references 'a time is a reference to that time in the UK' we believe that this would be best clarified further by referencing whether this is GMT/BST or UTC. Working Hour may also require a form of words that clarifies the content of 09.00 to 17.00 in the above context. Confirm clause 16 for sanctions Section 3 - The wording for the description of Metering Point references the MRA- The full description for this will require to be transposed, as this reference will no longer be valid.(as is the case for the description of the MRA Executive Committee and MRASCo)</p>



SP ENERGY NETWORKS

Network Planning & Regulation

<p>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?</p>	<p>We are not aware of any other area that should be covered in the REC at this point</p>
<p>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?</p>	<p>We believe that the schedules will further develop as the Program progresses.</p>

Code Consolidation

<p>4.1: Do you agree that Ofgem should lead an end-to-end process to develop the code modifications to deliver retail code consolidation?</p>	<p>We believe that there is a requirement for a continued focus on the code modifications; we are of the opinion that Ofgem are best placed to support this activity and should continue to lead the SCR to deliver the Retail Code Consolidation.</p>
<p>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?</p>	<p>We are in agreement with the scope of the SCR in this area and are not aware of any additional areas at this point.</p>
<p>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?</p>	<p>We believe that DCUSA is best suited to govern MPAS once the MRA has closed, as this is the key code for Distributors in the management of the Network. We believe that Ofgem have highlighted the major areas of concern with the other codes. REC - although the DNO's are represented, the majority of the information in MPAS is non - Retail based - which implies that the REC is not best suited for re-homing. BSC- While MPAS data contains Settlement data, and there are Audit processes in place in relation to this, the DNO has no voting rights on the BSC Panel. We do not believe that there is benefit in splitting out governance between the differing codes according to activities; this would add complication to the Industry processes at a time when we are trying to consolidate and simplify the processes.</p>
<p>4.4: Do you have serious concerns about the suitability of any of the options for the future governance of MPAS, outlined above?</p>	<p>We have expressed a view that DCUSA is the most appropriate Code to house the 'MPAS' Governance. We believe that either the REC or the BSC would have differing focus on the information and requirements (i.e. Retail/Settlement information) the DCUSA is DNO-led code, and as such currently covers the MPAN Lifecycle, we see not need to change this, and feel that it is the best fit, although are cognisant that there would be a requirement for changes to ensure cross code engagement, but do not see this as a blocker.</p>



<p>4.5: Do you agree that the GDAA and Green Deal related provisions in the MRA should transfer to the REC?</p>	<p>We believe that GDAA and Green Deal related provisions should transfer to the REC. Previously there has been a large amount of work put into the consolidation of this area. We believe that there is a long overdue requirement to review this area</p>
<p>4.6: Do you think GDAA parties should accede to the REC, or be engaged in governance through some other means?</p>	<p>At this point it is our view that separate Governance is required. GDAA Parties include finance companies and Green Deal Providers, who would not be parties under REC under any other auspice. However there are other areas that there would be relevance possible PAB assurance for entry criteria. There is scope that they could be included in the REC, and called upon only when relevant matters arise (similar to the reference in 4.7)</p>
<p>Question 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?</p>	<p>N/A. Gas only</p>
<p>4.8: Do you agree with our preferred option for governance of agent appointments and MDD, outlined as option 3 above?</p>	<p>N/A This is only relevant to Suppliers</p>
<p>4.9: Do you support our proposal for consolidating the metering CoPs into the REC?</p>	<p>We believe that there is benefit in consolidating metering COPs into the REC, although we believe that this would be best served if the MEM becomes party to the REC.</p>
<p>4.10: Do you think MEMs should be parties to the REC?</p>	<p>We are not opposed to the MEM being parties to the REC, as stated in the consultation, the information that they provide (if incorrect) may have a direct detrimental impact on Customers and billing. Since the implementation of Stage 0, metering data has been held in the MPAS system, and we feel it would be beneficial to the Industry if the MEM were directly accountable rather than as an agent only. If the metering COPs are to be included in the REC it would in return seem sensible for the MEM to be a party</p>
<p>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?</p>	<p>We believe that there would be no requirement for an additional MEM panel, the REC Panel would have the remit to deal with these changes, with MEM parties. We believe that there would be appropriate MEM representatives when the need arises (identified by the REC Code Manager) in order that the Change process is not onerous on MEM parties</p>
<p>4.12: Which of the requirements within SMICoP, if any, should extend beyond the initial installation of the smart metering</p>	<p>Believe this to be a Supplier Question</p>



system?	
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?	Believe this to be a Supplier Question
We note that there is no 4.14	
4.15: What are your views on our proposals for the governance and assurance of the SMICoP provisions once migrated to the REC?	Believe this to be a Supplier Question
4.16: Do you agree with our proposal for incorporating PSR provisions in the REC?	We are supportive of incorporation the PSR information into the REC, as there are currently Industry processes in place for both Suppliers and DNO's under the MRA, we are of the view that the best fit for this in the code consolidation is in the REC.

License Condition Change

<p>5.1: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licenses to support the effective operation of the new switching arrangements?</p>	<p>Having reviewed Appendix 4, We believe that this accurately describes the changes that should be made to support the effective operation of the new switching arrangements</p>
<p>5.2: Do you agree that Appendix 4 accurately describes all of the changes that should be made to licenses to support Retail Code Consolidation?</p>	<p>Having reviewed Appendix 4, We believe that this accurately describes the changes that should be made to support the Retail Code Consolidation.</p>
<p>5.3: Are there any changes to licenses that, if not made prior to the switching arrangements going live, would inhibit the delivery of the Switching Programme?</p>	<p>We are not aware at this point of any additional changes to license that should they not be made would inhibit the delivery of the switching programme</p>
<p>5.4: Do you think that we should remove license obligations on GTs described in SLC 31 and DNOs in SLC 18 to provide one or more of the following services:</p> <ul style="list-style-type: none"> · Enquiry services; · Maintenance of a register of data associated with a metering point/supply point; and · Customer enquiry service? 	<p>We do not believe that there is a necessarily a License requirement for the DNO to provide a Customer Enquiry Service going forward, as the DNO is no longer the 'Master' of the Registration data. We do accept however that there is a requirement to provide and maintain meter point data, and potentially provide an enquiry service for Agents under the REC. (we assume that this is what is referenced by an 'Enquiry Service')</p>