

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

Response due 29 July 2019

1.3	Do you consider that the methodology as set out above is appropriate?	We consider that the methodology as set out within the Ofgem consultation for REC Manager: Functions is appropriate. However, we would be wary of procurement contracts with Service Providers being signed whilst the schedule has not been agreed and finalised.
1.4	Do you have any comments on the scope of services?	The services detailed in this consultation mirror those provided in the June 2018 consultation, therefore we are unable to provide any additional views as the detailed descriptions of the REC Manager Services are not yet available as on the RECCo Website.
1.5	Do you agree with our outline proposals on the set-up of the REC Manager?	<p>Currently we are unable to ascertain from the Ofgem consultation what the exact set up of the REC Manager will be. If by “set up” you mean “appointment and accountability” then we agree as per our response in the June 2018 consultation that the RECCo Board should be responsible for the strategic direction and oversee the REC Manager, however we feel that the roles and responsibilities of the REC Manager should be clearly defined.</p> <p>We understand that there may be a number of functions from one or more service providers along with the possibility of some functions being provided in house but without specific reference points or explanation we feel that the question currently cannot be answered adequately.</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>DCUSA – We believe the functionality that remains in MPAS aligns better with the governance and functionality of DCUSA. Transferring the governance of MPAS to DCUSA would ensure that MPAS is governed under a single code and DNOs would have sufficient influence and engagement in any change process.</p> <p>We do not believe that MPAS governance should be moved to the REC, as the remaining MPAS functionality will not facilitate consumer</p>

		<p>switching arrangements. In addition, the Gas and Electricity MPAS functionality would not achieve harmonisation, as there are currently no proposals to move UK Link into the REC.</p> <p>If the governance moves to the BSC, consequential changes would be required to accommodate DNO voting rights. As a result, DNOs would also be accountable for changes that have no impact on them. However, even if there were consequential changes made, we do not see the BSC as best suited to govern MPAS. It is likely that the connection and disconnection elements of the MRA will transfer to DCUSA therefore it seems appropriate to house and govern MPAS provisions alongside these processes.</p> <p>The authority should consider weighting the responses received by industry parties to this question as MPAS is a DNO operation and therefore DNO preferences should be given more weight to this question than other industry parties. At the recent MRA Switching Programme Information event, a poll was undertaken via Slido where the result was a majority in favour of placing MPAS governance under the REC. However, DNO representation in the room was in the minority.</p>
4.4	<p>Do you have serious concerns about the suitability of any of the options for the future governance of MPAS, outlined above?</p>	<p>Yes, we have serious concerns about the suitability of some of the other options.</p> <p>We would not be supportive of separate governance by function, as we believe that the MPAS provisions should be governed under a single code and not split across multiple codes. Nor do we believe that once the retail operations have been stripped out of MPAS that it is appropriate for the governance to sit under the REC, as the remaining functionality does not facilitate consumer switching arrangements.</p> <p>The BSC has other objectives and transferring MPAS governance under this code would introduce added complexity and barriers to DNOs having influence and engagement in the change processes. Although DNOs are consulted on the development of modifications to the BSC,</p>

		<p>which may have consequential impacts on MPAS, they have no voting rights.</p> <p>It is essential that DNOs continue to have meaningful influence over the MPAS provisions and are able to engage in the change process, therefore, moving the future governance to DCUSA would facilitate this.</p>
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