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Dear Rachel,

Consultation on the Retail Energy Code v2.0 and Retail Code Consolidation

Thank you for the opportunity to respond to the consultation on the Retail Energy Code v2.0 and Retail Code Consolidation.

Electricity North West continues to support the objectives of the Switching Programme and welcomes the ongoing dialogue with Ofgem on consequential changes to other industry codes to deliver the Switching Programme and Retail Codes Consolidation Significant Code Reviews (SCRs).

We welcome the following proposals by Ofgem:

- confirming existing energy market participants are deemed Qualified and the onus should be on REC Service Users to identify the appropriate checklists and accreditation for their organisations. We also agree with the proposal not to require REC Service Users to demonstrate compliance nor for the RECCo to assess compliance with data protection legislation.
- confirming the overall intention for charging at REC v2.0 is to maintain the current arrangements whereby only Suppliers contribute to the REC budget. We will welcome an opportunity to feed back on the draft Charging Principles schedule when it is released.
- formation of a Metering Group - to ensure that this area receives appropriate technical and safety review. We would welcome some further development work on the groups terms of reference as set out below.

To enable us to best assist Ofgem and RECCo and meet customers' needs we would welcome further work on the following areas regarding the development of the REC:

- our annual statement of maintenance submission - to enable our planning for our annual statement submissions we would welcome further clarity on the date we would be deemed qualified.
- the Cross Code Steering Group developing guiding principles for determining which Energy Code leads for cross cutting change proposal/modifications - to avoid an unintentional basis being created if a change is more likely to be approved by a certain Energy Code leading. Due to the governance arrangements and objectives against which code modifications are judged varying across the codes, prior to the codes consolidation under the separate Reform of Energy



Codes Significant Code review decisions. These guiding principles would prevent unnecessary appeals being made to the CMA, which is an important mechanism to retain in its current form.

- requirements in the Unbilled Energy Code of Practice needs to be drafted in such a way that it does not conflict with the DNO's licence requirements, including Standard Licence Conditions 'Electricity Distribution Losses Management Obligation and Distribution Losses Strategy' 49.7 and 49.8, to avoid mismatched requirements between the REC and a DNO licence. As such we recommend any reference to cost recovery by DNOs and Suppliers associated with a theft investigation in the REC would best be served by referencing that this is in accordance with their licence requirements which are based on the proviso that the costs incurred are not likely to exceed the value of the sums that may reasonably be expected to be recovered.
- design of the Metering Group Terms of Reference – we recommend the expertise of the members under Section 2.2 should be narrow to enable the formation of a specialist technical group with experience of metering. The current scope for members expertise of "*either of the energy industry or a comparable sector*" is too broad and not appropriate. We also recommend that the Chair should have similar experience as the technical group members if they will be able to make a casting vote for instances where there is a split. At present, the Chair is only required to be a member of the RECCo or a contractor to RECCo under section 2.9.
- ownership of market messages which impact Distributor or MPAS provider processes – the impact of splitting groups of messages (for DUoS billing, disconnection/de-energisations and other distributor or MPAS provider processes) between codes means there is an inconsistency between MPAS back office activities. We made some suggestions on the proposed Code Manager ownership for the dataflows referenced in our response to Q4.1.

Appendix 1 provides our detailed responses to those consultation questions which are relevant to Electricity Distribution Network Operators.

I hope these comments are helpful. Please do not hesitate to contact me or Catherine Duggan (07775 547624) if you would like to follow up on any particular aspect of our response.

Yours sincerely,

Paul Auckland
Head of Economic Regulation

Appendix 1 – ENWL detailed responses to those consultation questions which are relevant to Electricity Distribution Network Operators

The following table includes our views on the consultation:

Ref.	Question	Response
2 Retail Code Consolidation: REC v2.0 Schedules		
	<i>2.1 Do you agree with our proposed approach to information security and data protection assessment under the REC? In particular, do you agree with the requirement for all REC Service Users to notify the Code Manager of a security breach?</i>	<p>Yes. We agree the onus should be on REC Service Users to identify the appropriate checklists and accreditation for their organisations, with the REC Code Manager (RECCo) developing the more detailed framework including guidance for users.</p> <p>To enable us to plan for submission of an Annual Statement process we would welcome confirmation our understanding is correct and the date we are deemed Qualified, under the amended clause 11.1 is the date the REC v2.0 is designated on the 2 July 2021. As such the date for submission of our first annual statement would be 2 July 2022.</p> <p>We also agree with the proposal not to require REC Service Users to demonstrate compliance nor for the RECCo to assess compliance with data protection legislation.</p>
	<i>2.2 Do you agree with our proposal to extend entry qualification to new gas MEMs? If not, please explain why.</i>	<p>This question is best answered by gas MEMs and suppliers.</p>
	<i>2.3 Do you agree that the change effected by MAP CP 0338 should apply equally to gas?</i>	<p>This question is best answered by gas suppliers.</p>
	<i>2.4 Do you agree that the clarification on the applicability of the schedule to non-domestic suppliers sufficiently gives regard to non-domestic suppliers who do not serve prepayment customers?</i>	<p>This question is best answered by suppliers.</p>
	<i>2.5 Do you agree that the approach and processes for gas unregistered sites should be standardised, as set out in the Unbilled Energy Code of Practice?</i>	<p>This question is best answered by gas suppliers.</p>
	<i>2.6 Do you agree that the REC should make provision for the PAB to consider the case for reconciliation of data held by PPMIPs and CDSP for the purpose of identifying unregistered sites? If so, do you agree that this process should sit in the Unbilled Energy Code of Practice?</i>	<p>This question is best answered by gas suppliers.</p>
	<i>2.7 Do you agree with the principle that a consumer should be no worse off by virtue of a theft investigation being undertaken by a network company rather than a supplier?</i>	<p>Any requirement in the Unbilled Energy Code of Practice needs to be drafted in such a way that it does not conflict with the DNO's licence requirements, including Standard Licence Conditions 'Electricity Distribution Losses Management Obligation and Distribution Losses Strategy' 49.7 and</p>

<p>49.8, to avoid mismatched requirements between the REC and a DNO licence. It would also be prudent to consider any relevant licence conditions applying to suppliers in this context. As such, we recommend any reference to cost recovery by DNOs and Suppliers associated with a theft investigation in the REC would best be served by referencing that this is in accordance with their licence requirements, which are based on the proviso that the costs incurred are not likely to exceed the value of the sums that may reasonably be expected to be recovered.</p>
<p>2.8 Do you agree that the requirements relating to provision of customer contact details should apply equally to non-domestic suppliers, as set out in the Transfer of Consumer Data Schedule?</p>
<p>This question is best answered by suppliers.</p>
<p>2.9 Do you agree with our proposal to extend 'Gas use case 5: Payment of Guaranteed Standard of Performance Payments' to cover voluntary payments?</p>
<p>This question is best answered by gas suppliers.</p>
<p>2.10 What risks (if any) do you foresee in the transfer of processes associated with Commissioning, Complex Sites, Proving and Faults from BSCP514 to the REC Metering Operations schedule?</p>
<p>We have not identified any significant risks in our review of the Metering Operations schedule as they appear to be derived from the existing obligations on the current parties. The only concern is that the same obligation appears in both the new REC schedule and the existing BSC schedule. Both of these will be subject to audit and therefore a party may be at risk of breaching various industry codes for a single failure which is not a good regulatory practice. This also increases the risk that the audit of these obligations will occur twice each year which create no value for customers.</p>
<p>2.11 Do you agree that requirement to comply with the BSC CoPs should be placed directly on MEMs in the REC? If not, please explain your reasons.</p>
<p>We agree that the MEMs are the most appropriate party to comply with the metering codes of practice.</p>
<p>2.12 Do you agree that metering operations rules and processes in the REC could be assured by the BSC, particularly with regard to PARMS reporting and technical assurance audits, until the assurance function can transition to the REC? If not, please explain your reasons.</p>
<p>In the interim period, it would be sensible to retain the assurance and reporting under the BSC.</p>
<p>2.13 Do you agree that the information in the RGMA Baseline relating to exceptions should be out of scope of the mandatory Schedule?</p>
<p>This question is best answered by gas suppliers.</p>
<p>3 Consequential Changes to Other Codes</p>
<p>3.1 Do you agree that the proposed text to embed the Cross Code Steering Group will enable the intended improvements to cross code change? If not, please suggest alternative or additional drafting.</p>
<p>No. Whilst we agreed with purpose of the Cross Code Steering Group to enable improvements to cross code change, we note the proposed text would determine that if a change proposal/modification under the lead-code is approved or rejected the decision is the same for all related code changes irrespective of the codes having different objectives and governance arrangements. We would recommend the first task of the Cross Code Steering Group is to develop</p>

a set of guiding principles for determining which Energy Code leads for cross cutting changes - to avoid an unintentional bias being created if a change is more likely to be approved by a certain Energy Code leading and lead to unintended consequences for customers. Due to the governance arrangements and objectives against which code modifications are judged varying across the codes, prior to the full codes consolidation under the separate Reform of Energy Codes Significant Code review decisions. These guiding principles which would enable transparency on how the cross code governance is assessed would prevent unnecessary appeals being made to the CMA.

Our alternative drafting would be:

Where the Cross Code Steering Group determines that another Energy Code is to be used as the lead-code for a [Change Proposal/Modification], then the [insert relevant code term] shall progress that Change Proposal in accordance with this Code, but subject to the following:

(a) the [insert relevant code term] shall progress the [Change Proposal/Modification] in parallel with the change under the lead-code, and subject to the timetable determined under the lead-code in consultation with other codes;

(b) the decision in relation to the [Change Proposal/Modification] under this Code shall not be a decision as to whether or not to approve the [Change Proposal/Modification] or as to whether or not to recommend approval to the Authority, and shall instead be treated as a recommendation under the lead-code; and

(c) the Cross Code Steering Group when determining which Energy Code is the lead-code for a [Change Proposal/Modification] shall do so on the basis of a set of guiding principles to ensure no one Code is given unfair and undue prominence over another. ~~the [Change Proposal/Modification] shall be approved if the change under the lead-code is approved, and rejected if the change under the lead-code is rejected (subject to any appeal mechanism under the lead-code).~~

4 REC Technical Specification

4.1 Do you agree with the assignment of Code Manager ownership (Metadata Owner) of each Energy Market Message within the “Annex D – Message Scenario Variant Catalogue”?

No. The impact of splitting groups of messages (for DUoS billing, disconnection/de-energisations and other distributor or MPAS provider processes) between codes means there is an inconsistency with MPAS back office activities. We would welcome further development work on the proposed Code Manager ownership for the following existing dataflows as Energy Market Messages (EMM):

Message Meta Ownership to continue to support efficient DUoS billing

- **D0030 ‘Aggregated DUoS Report’ (EMM ref: MM00411) and D0036 ‘Validated Half Hourly Advances for inclusion in Aggregated Supplier Matrix’ (EMM ref: MM00413)** in addition to the D0242 ‘Supercustomer DUoS Daily Statement’ be moved to the DCUSA rather than remain in/be moved to the BSC to support efficient DUoS billing. Ofgem supported DCUSA becoming the metadata owner of these 3 dataflows in their RDUG item 4(a) MPAS way forward document - presented at 30 Oct 2019. We would welcome feedback on why this decision has been reversed. Whilst, an argument can be made for retaining the D0036 in the BSC as HHDC’s are not DCUSA parties, the requirement for the D0030 is entirely to facilitate DUoS billing. As such moving the D0030 from the MRA to DCUSA would be in keeping with the direction of the MHHS SCR and its intention to decouple DUoS reporting from settlement. We would be happy to work with Elexon to understand how any changes to the D0030 will impact SVAA and the need for a BSC system change to support any new charging requirements.
- **D0314 ‘Non Half Hourly Embedded Network DUoS report’ (EMM ref: MM00264) and D0275 ‘Validated Half Hourly Advances’ (EMM ref: MM00206)** in addition to the D0315 ‘Embedded

Network Super customer DUoS Daily Statement' be moved to the DCUSA rather than remain in/be moved to the BSC to support efficient DUoS billing.

Message Meta Ownership to continue to support efficient disconnection and de-energisation

- **D0327 'Request Green Deal Plan End Date Amendment' (EMM ref: MM00277) and D0318 'Response from GDCC to Distributor' (EMM ref: MM00267)** which are sent between the Distributor and the GDCC have no direct impact on Suppliers and are part of our disconnection process would best be owned by DCUSA rather than the REC. These messages would sit better staying with the other disconnection dataflows (D0132, D0352, D0125 and D0262) moving from the MRA to DCUSA.
- **D0134 'Request to Change Energisation Status' (EMM ref: MM00021) and D0139 'Confirmation or Rejection of Energisation Status Change' (EMM ref: MM00036)** would best sit with the disconnections processes in the DCUSA rather than the REC. The process for both disconnections and de-energisations are set out in BSCP515 (Licenced Distribution) in the BSC and MAP21 in the MRA.

Message Meta Ownership to continue to support other Distributors/MPAS providers processes

- **D0215 'Provision of Site Technical Details' (EMM ref: MM00117)** which we send as a Distributor to the MOP and Supplier would best be owned by the BSC not the REC. This would fit with the proposal for the D0170 'Request for Metering System Related Details' (EMM ref: MM00075) we receive from the MOA and which triggers a D0215 moving to the BSC.
- **D0304 'Notification of Meter Asset Provider' (EMM ref: MM00241)** which we send to MOPs and receive as a Distributor and MPAS provider would best be owned by the BSC not the REC. The information contained in this flow doesn't have an impact on switching and would best sit with the proposals for D0205 'Update Registration Details', D0217 'Confirmation of the Registration Details' and D0213 'Advice from MPAS of Changed Metering Point Details' moving to the BSC. The impact of splitting these messages between the REC and BSC means there is an inconsistency with MPAS back office activities.

4.2 Do you agree with the classification of existing flow notes (including DTC Annex C) to either one of, a rule within the Data Specification, a Guidance Note (managed under the respective code, e.g. a REC Level 3 document) or a process obligation (e.g. a rule within a REC Schedule / BSCP)?

We find the existing DTC Annex C which contains the dataflow notes a key document enabling us to correctly interpret the rules regarding the sending and receiving of data flows and how to populate those dataflows with the correct data items. The splitting of the flow notes into three different categories and across more than one code would appear to increase complexity rather than simplify the codes. Smaller parties and new market entrants may struggle and unknowingly find themselves incorrectly interpreting the rules and populating the market messages if there is less transparency on the location on where to find the correct flow notes.

4.3 Do you agree that the data items identified in 'Redundant Data Items for Review' spreadsheet should no longer be represented in the Data Specification as they are not associated to any Market Messages?

We have not identified any concerns with the high-level summary descriptions of J items set out in the review proposals at this time, from a small sample we randomly chose.