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[ICoSS response to REC version 2.0 consultation](#)

The Industrial and Commercial Shippers and Suppliers (ICoSS) group is the trade body representing non-domestic industrial and commercial (I&C) suppliers in the GB energy market. Our members collectively supply three-quarters of the gas needs of the non-domestic sector as well as half of the electricity provided by non-domestic independent suppliers¹.

This response is not confidential.

We note the following points in the consultation:

- As we have previously communicated, owing to the restrictions in sites visits caused by the COVID-19 pandemic, the theft incentive regimes should be cancelled for this year, to prevent unfair penalties being levied on suppliers who cannot respond to the incentive as envisaged.
- We welcome the work done to consolidate and harmonise energy theft processes but believe that more needs to be done. The current theft regime is not fit for purpose and a complete end to end review of the regime, including the gas and electricity network processes, needs to be undertaken.
- We have concerns over the scope creep in obligations that has occurred with regard to large customer contacts which will result in additional costs to non-domestic suppliers for no benefit.
- We support and welcome the inclusion of MEMs into the REC as we believe this will ensure consistent enforcement of standards across the market.



- We continue to have concerns over the additional burden regarding accreditation and maintenance of qualification that the REC is placing on suppliers and other parties. The need to do so has not been demonstrated and this adds significant cost to suppliers for little gain.

Your Sincerely,

Gareth Evans
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Appendix 1. Response to Questions

Question 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?

We do not agree. We have serious concerns on the creation of yet more new and onerous obligations on suppliers in addition to the requirements to provide additional information on information security and data protection. This proposal represents a significant cost to all organisations and will be relatively fixed, even if the regime is designed to be flexible, and so will disproportionately impact smaller suppliers.

We also continue to believe that the risk to central systems is not significant and does not justify this cost. The non-domestic market has operated successfully without any significant detriment without these risk assessments being provided. If Ofgem believes that the role of the Code Manager is to undertake such costly monitoring activities of data management, it should be limited to the domestic sector.

Question 2.2: Do you agree with our proposal to extend entry qualification to new gas MEMs? If not, please explain why.

Whilst we continue to question the onerous obligations being placed on REC parties to continually record their compliance with the REC, we agree that gas MEMs should be required to undertake entry qualification if other REC parties are expected to do so.

Question 2.3: Do you agree that the change effected by MAP CP 0338 should apply equally to gas?

We have no concerns extending this proposal to the gas market in this limited instance.

Question 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?

We agree. We welcome the clarification provided in the schedule and its applicability to non-domestic suppliers only when they supply PPM customers. We agree that there is a need for a standardised process to apply for non-domestic PPM customers.

Question 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?

We agree that standardisation would be of benefit to the market. It is our view that a complete review of all aspects of theft detection and management, including those provisions that apply to the gas and electricity networks should be undertaken.

Question 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?

We agree that all external sources of information should be utilised to improve settlement accuracy and so the PPMIP information should be used to do so as soon as possible. We have no objection to this process sitting in the Unbilled Energy Code of Practice.

Question 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?

We agree with this principle.

Question 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.

We do not agree. There is not currently a “gap” between domestic customers and Large Gas customers (as defined in the schedule) contact information provision; the information is used for very different purposes. For domestic customers, the information is used to inform them of supply interruptions to their home; for Large Gas customers the information is used to interrupt

supply to the site during an emergency. We do not agree therefore that this proposal simply removes an existing “loophole” for larger sites.

The information will also be valueless in many cases. Suppliers do not hold individual site contact information for customers with multiple properties and so providing (as set out in the Schedule) contact details for a central head office to inform them of a specific regional issue is likely to cause confusion with the customer rather than help.

This requirement also goes against the concept of “minimal change” and will represent a significant new requirement for non-domestic suppliers to develop, test and implement as part of the switching programme, thereby adding cost and risk to the wider project.

Rather than adding such additional requirements into the project at this stage, the principle of minimal change should be adhered, and this new obligation removed.

Question 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?

We have no comments on this question.

Question 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?

We have no comments on this question.

Question 2.11: Do you agree that the requirement to comply with the BSC CoPs should be placed directly on MEMs in the REC? If not, please explain your reasons.

We agree. Many non-domestic customers appoint their own metering agents and so it is not appropriate to hold suppliers responsible for the failure of parties with which they have no contractual relationship. We therefore support that compliance with the BSC CoPs should be placed directly on MEMs to provide clear accountability.

Question 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.

We agree with the principle that there should be consistent oversight during the transition between the BSC and the REC.

Question 2.13: Do you agree that the information in the RGMA Baseline relating to exceptions should be out of scope of the mandatory Schedule?

We agree with this proposal as this guidance is not universally applied.

Question 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.

We agree in principle with a cross-code approach to ensure effective and robust implementation of cross-code changes. We do note however that whilst the proposer rightly has control over any changes they raise in a code, for any consequential changes that are identified by the cross-code steering group they are not the proposer and so have no control (and are not even allowed to attend any CCSG discussions). We suggest that the proposer should have the right to attend any part of any CCSG discussion regarding the changes they have raised.

Question 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”?

Question 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)?

Question 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 provided comments on Questions 4.1-4.3