

Consultation

Retail Energy Code: Technical Specification approach consultation

APPENDIX 2: Service Definition approach

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1. Service Definition approach

Section summary

This appendix describes the proposed approach for setting out the definition of the services required under the REC. This includes services that will support the new switching arrangements as well as non-switching services that will support the arrangements introduced as part of the Retail Code Consolidation (RCC) Significant Code Review (SCR). The service definitions should provide the information needed by users of the services as well as for PAB in holding the service provider to account for its performance.

Questions

Question 1: Do you agree with the approach set out in this document for developing the REC switching and non-switching service definitions?

Question 2: Do you agree that the draft service definitions set out in Annex 1 to 6 meet the required standards set out in the Regulatory Design Criteria? If not, please describe how you think they should be improved?

Question 3: Do you support our proposal to remove the electricity provisions that allow a supplier to determine when specified data items can be shared with other suppliers?

Question 4: Do you support the removal of the monthly electricity and quarterly gas download of data from ECOES and DES respectively when these services move to the REC?

1. Introduction

- 1.1. The REC Technical Specification comprises of a number of components. This appendix focusses on the service definitions for each of the services that will form part of the end-to-end switching arrangements, together with other retail services migrated from SPAA and MRA e.g. the Energy Theft Tip-Off Service.
- 1.2. Each service definition will, where appropriate, include the following information:
 - A description of the service that will be provided to users.
 - A definition of users and where the service differs based on user type.
 - Whether there are any entry criteria / onboarding requirements that must be met before users can access the service.

- Any maximum volumes that have been specified in the definition of the service – either based on an individual user, user type or whole industry basis.
- When the service will be available to users and any defined deadlines for processing which could be relevant to users.
- Arrangements for managing exceptions.
- Process for dealing with incidents, service requests and operational change including any service desk functionality.
- The service levels against which the system is designed.
- Response timescales for transactions and any other relevant information regarding communication networks not included in the Data Specification. These may be stated at a global level, but if necessary, explicit statements by transaction would be expected where these are different.
- Any specific business continuity / disaster recovery provisions e.g. processing of transactions once the service has been restored.
- Data handling activities e.g. data retention / archiving taking into account whether data should be retrievable, and the service levels associated with this.
- Security arrangements not covered elsewhere in the REC.¹

1.3. A key consideration during the development of service definitions is the level of information included. As part of the overall REC Technical Specification, the contents of the service definitions will be subject to formal REC change control (as defined in the Change Management Schedule).² Therefore, we will need to balance the need for transparency and control by REC Parties with the need for service providers to quickly, efficiently and cost effectively adapt the service to meet user needs. Where services require users to meet certain obligations, these will be included within the relevant operational schedule, rather than the service definition.

1.4. At a high level, the information contained within the service definitions should cover aspects of the service that impact Market Participants e.g. service availability, mechanisms for raising queries for user facing services and capacity thresholds. The service definitions will also include service levels that can be monitored and enforced by the REC Performance Assurance Board (PAB).

1.5. The REC Technical Specification will sit alongside a suite of REC schedules which include obligations on market participants and operational documents which provide

¹ Further information is set out in the Appendix 3 REC Security and Data Protection Approach.

² Further information on the REC change management arrangements, including how they impact the REC Technical Specification, will shortly be published for consultation.

the lower level operational detail including interactions between the various service providers that deliver the overall switching arrangements.

- 1.6. This paper includes details of the switching and non-switching services which will be defined within the REC Technical Specification; and sets out the development plan. The Code Manager service definition has been excluded from the scope of this appendix as it is subject to procurement by the RECCo Board.

Question 1: Do you agree with the approach set out in this document for developing the REC switching and non-switching service definitions?

2. Switching Service Definitions

- 2.1. Whilst some switching services originate from existing services defined within the MRA and UNC; the service definitions have been developed as new documents, utilising some information extracted from existing code / contractual documentation and supplementing with new switching requirements to reflect the agreed new design.
- 2.2. Definitions will be required for the following services:
- Switching Operator (SO)
 - Central Switching Service (CSS)
 - Gas Retail Data Service (GRDS)
 - Electricity Retail Data Service (ERDS)
 - Gas Enquiry Service (GES)
 - Electricity Enquiry Service (EES)
 - CSS Certificate Authority (CCA)
 - REC Data Service (RDS)
- 2.3. Service Definitions in relation to these switching services have been developed with support from the current and proposed service providers. Other than the CCA and RDS,³ these have been provided for consultation and are included as annexes to this document (SO – Annex 1, CSS – Annex 2, GRDS – Annex 3, ERDS – Annex 4, GES – Annex 5 and EES – Annex 6). The Service Definitions include as much information as is available regarding the enduring services, post CSS go live. These documents may

³ The CCA and RDS are being procured in parallel with this consultation. These service definitions are therefore not publicly available.

change as the design develops through the Design, Build and Test Phase in line with the programme change provisions.

- 2.4. However, where information is still being developed through the switching design, build and test phase, placeholders have been included. For example, we have not included a full set of service levels that each service would be expected to meet. We will consider the required service levels over the coming months so that they can be included in the Spring 2020 consultation.
- 2.5. We have developed the service definitions so that, with the caveats noted above, they meet the required standards set out in the Regulatory Design Criteria. The Regulatory Design Criteria are set out below:
- Design criterion 1: The REC must deliver consumer focused outcomes;
 - Design criterion 2: The REC requirements must be consistent with the Design Baseline 4 (as modified under Switching Programme governance);
 - Design criterion 3: The REC contents provide a comprehensive set of requirements that will support the effective operation of the retail market; and
 - Design criterion 4: The REC is written in clear and accessible language that meets the needs of users.

Question 2: Do you agree that the draft service definitions set out in Annex 1 to 6 meet the required standards set out in the Regulatory Design Criteria? If not, please describe how you think they should be improved.

- 2.6. A summary of the switching service definitions is set out below:

Switching Operator (SO) Service

- 2.7. The SO has overall accountability for delivery of the switching arrangements under the REC. The SO Service incorporates overall switching service management in accordance with the REC Service Management Schedule. Specifically, this includes delivery of the Switching Service Desk for managing incidents and service requests, delivery of the Switching Portal to manage interactions with market participants and other interested parties; management of operational change across each of the switching services and coordination of activities delivered by the Switching Data Service Providers.
- 2.8. Data Communications Company (DCC) is responsible for this delivering this service via its Data Communication Company Licence requirements. Note this is separate to the DCC's responsibilities in delivering the CSS set out below.

Central Switching Service (CSS)

- 2.9. The CSS comprises two distinct elements: the Registration Service and the Address Management Service. The Registration Service is responsible for holding a register of all gas and electricity metering points (referred to as Registrable Measurement Points (RMPs) in the REC) and the registered Energy Supplier, along with other associated data such as the Gas Shipper; and updating this register to reflect changes such as

change of Energy Supplier due to a Consumer Switch. The Address Management Service is responsible for receiving the Meter Point Location (MPL) Address from the Network Operators in relation to each RMP and creating a Retail Energy Location (REL) Address to reflect the address that the Consumer is most likely to use to identify the property.

- 2.10. For the purposes of the REC, DCC is defined as the CSS Provider and has overall responsibility for delivery of the CSS via its Data Communication Company Licence requirements.

CSS Certificate Authority (CCA)

- 2.11. Following an initial registration process, in which prospective CSS Users are validated, CSS Users are required to generate a Certificate Signing Request (CSR) and present it to the central CCA for approval. The CSR contains information (e.g. organisation, public key) used by the CCA to create the certificate. The CCA will validate the request, which includes confirming that the CSS User is authorised to connect to the CSS. Once approved by the CCA, the certificate will be issued and added to a secure certificate store, accessible only by CSS Users and the CSS Provider. The CSS User will maintain its private key information securely within their system. Use of these certificates (and associated public and private keys) will enable the secure signing and encryption of messages shared between CSS and CSS Users. The CCA will manage this process as part of the wider CSS onboarding and maintenance arrangements.
- 2.12. A market engagement exercise with potential providers of the CCA is ongoing and will continue in parallel with this consultation, therefore further details will be provided at a later date.

Gas Retail Data Service (GRDS)

- 2.13. The GRDS is delivered by the Gas Retail Data Agent (GRDA) and acts as an interface between the gas Central Data Service Provider (CDSP), governed under the UNC, and the CSS Provider. The main purpose of the GRDS is to pass registration data from the CSS to the CDSP; and UNC data such as commercial and regulatory alliances from the CDSP to the CSS.⁴ There is also some additional functionality delivered by the GRDS, to transform data provided by the CDSP into a format required under the REC, specifically the creation of an RMP Status in accordance with the REC Data Management Schedule.
- 2.14. The default position is that the service will be delivered by Xoserve as an extension of the CDSP responsibilities under Special Licence Condition A15A. The REC Interpretations Schedule currently states that the GRDA is not a REC party, therefore each Gas Transporter shall ensure that the GRDA complies with its REC obligations. Each Gas Transporter will be jointly and severally liable for any failure by the GRDA to comply with its obligations. Delivery of the GRDA function by Xoserve is reflected in the Data

⁴ Refer to the CSS interface specification for full details of the data provided in CSS messages between the CSS and GRDS.

Services Contract between Xoserve, Shippers and Gas Transporters under UNC governance.

- 2.15. We are considering an alternative proposal for how the GRDS should be contracted for and funded. The option we are considering is for Xoserve to directly contract with RECCO and for it to become a party to the REC in its own right as the GRDA. We think that this may have some advantages as it creates a direct relationship between the physical provider of the service and the REC parties that use this service. We will set out our further thinking on this issue in a future consultation.
- 2.16. As set out in Section 4 below, we are also considering how charges for providing the GRDS should be recovered from stakeholders.

Electricity Retail Data Service (ERDS)

- 2.17. The ERDS is delivered by the Electricity Retail Data Agent (ERDA) and acts as an interface between the electricity Distribution Network Operators (DNOs), Electricity Suppliers, the Smart Metering Data Service Provider, Green Deal Central Charge Database and the CSS Provider. The main purpose of the ERDS is to pass registration data, required to facilitate switching, to the CSS. There is also some additional functionality delivered by the ERDS, to transform data held by DNOs into a format required under the REC.
- 2.18. The service is delivered by DNOs. Whilst GTs deliver their GRDS obligations via Xoserve as CDSP, there is no equivalent central service in electricity so DNOs will deliver their ERDS responsibilities individually. The REC Interpretations Schedule states that the ERDA is not a REC party, therefore each DNO shall ensure that the ERDA complies with its REC obligations. Each DNO shall be jointly and severally liable for any failure by the ERDA to comply with its obligations.

Gas Enquiry Service (GES)

- 2.19. The GES allows users to access market data where they are entitled to do so, in accordance with the Data Access Matrix defined within the Data Access Schedule. Data is sourced from either the CDSP or the CSS. The service consists of an online portal to view data for all gas RMPs from a single website; and an Application Programming Interface (API) service which allows Enquiry Service Users to gather information from the service in a specified manner. The GES is the new term to define the service currently delivered under the UNC through the online Data Enquiry Service (DES) and associated API service.
- 2.20. Delivery of the existing enquiry service functionality by Xoserve is reflected in the Data Services Contract between Xoserve, Shippers and Gas Transporters under UNC governance. However, it is anticipated that a commercial agreement will be introduced between Xoserve and RECCo Ltd for delivery of this service as part of the RCC activities.

Electricity Enquiry Service (EES)

- 2.21. The EES allows users to access market data where they are entitled to do so, in accordance with the Data Access Matrix defined within the Data Access Schedule. Data is sourced from either the Supplier Meter Registration Service (SMRS) or the CSS. The service consists of an online portal to view data for all electricity RMPs from a single

website; and an Application Programming Interface (API) service which allows Enquiry Service Users to gather information from the service in a specified manner. The EES is the new term to define the Electricity Central Online Enquiry Service (ECOES) currently delivered under the MRA.⁵

- 2.22. The service is delivered by C&C Ltd. As part of the RCC activities it is expected that RECCo Ltd will contract for the service.
- 2.23. Similar to gas, the existing service also makes data available to users via a monthly downloadable file covering all electricity metering points. We have therefore included a specific question regarding the ongoing provision of this service.
- 2.24. In addition, the electricity provisions currently include additional functionality which allows the Registered Supplier to control the data that other Suppliers and Supplier Agents can access. Suppliers can choose to share, reciprocate or restrict access to current, future or historic registration data⁶ for certain categories of users (Domestic, Non Domestic, I&C and Unmetered). For a given category:
- ‘Share’ will allow access to restricted data to that category of users;
 - ‘Restrict’ will maintain the default data restriction; and
 - ‘Reciprocate’ will use the other companies corresponding setting for the relevant category of user to decide whether to Share or Restrict. i.e. a user is a Domestic Supplier and if the other party has ‘Share’ or ‘Reciprocate’ for Domestic Suppliers then data will be ‘Shared’; whereas, if they have ‘Restrict’ for Domestic Suppliers then data will be ‘Restricted’.
- 2.25. These rules can be overridden by a user if they confirm they have a legitimate reason for viewing the entire dataset e.g. Consumer consent. Therefore, it is not clear what the retention of the Supplier Access Matrix achieves, as the requirement for users to have a legitimate reason to access the data should apply in all cases i.e. users should not simply look at any data they wish without a legitimate reason.
- 2.26. Having assessed this approach against the data principles promoted by the Energy Data Task Force,⁷ we believe this functionality should not form part of the enduring EES. All Enquiry Service Users should be provided with access to data in line with the Data Access Matrix. Users may be restricted from accessing certain data where they are not the ‘registered’ party unless they have a legitimate reason for accessing the data in line with the relevant Data Protection Legislation.

Question 3: Do you support our proposal to remove the electricity provisions that allow a supplier to determine when specified data items can be shared with other suppliers?

⁵ The existing ECOES functionality covers activities that are wider than data access requirements to be delivered by the EES. This additional functionality is explained further under the Additional Electricity Services section below as a non-switching service.

⁶ For example, the supplier ID, address and metering agent ID,

⁷ The Energy Data Task Force recommendations are available at the following link:
<https://es.catapult.org.uk/impact/specialisms/energy-data-taskforce/>

Monthly Electricity and Quarterly Gas Download Reports

- 2.27. In addition to provision of data via an online portal and API service, data is also available to users via a monthly and quarterly downloadable file covering all electricity and gas metering points⁸ respectively.
- 2.28. Previous discussions with the ICO have confirmed that Metering Point Administration Number (MPAN) and Meter Point Reference Number (MPRN) should be classified as personal data for the purposes of GDPR compliance. Therefore, recipients should only have access if they have a lawful basis on which to process the data.
- 2.29. Concern has been raised regarding the lack of security measures in place with the dissemination of these download files, as recipients can effectively access data relating to any Consumer, not just their own customers. We have therefore considered whether this means of sharing data should continue under the REC.
- 2.30. We have concluded that data is currently accessible to market participants and other interested parties via either an online portal or API service, both of which include robust access controls to ensure users are only accessing data that they are authorised to access. This data is uploaded daily and is therefore also more accurate than the data provided by the monthly / quarterly downloads. Therefore, we do not believe that the monthly / quarterly download files should continue to be provided under the REC.
- 2.31. Based on discussions with a number of third parties, we believe there are organisations who currently access data derived from these downloads. Therefore, removing access to these download files would require current recipients and potentially other benefiting organisations to change the way that they access data. We are therefore including a specific question regarding this provision to understand industry views.

Question 4: Do you support the removal of the monthly electricity and quarterly gas download of data from ECOES and DES respectively when these services move to the REC?

3. Non-Switching Service Definitions

- 3.1. We are proposing that the RCC SCR will result in the migration of non-switching provisions from the SPAA, MRA, DCUSA, UNC and BSC. Some of these provisions will include the transfer of contracted services.
- 3.2. This section sets out the approach for migrating existing services into REC governance and developing the required code drafting. The ideal outcome would be for each of the

⁸ The gas file does not include the full data set and is limited to MPRN, Meter Serial Number, address and Gas Transporter ID. A small number of metering points are also excluded from the data set.

REC services to be defined consistently, in line with the template developed for the switching service definitions. However, it is acknowledged that this may not be feasible within the timescales. Therefore, each service has been considered separately, taking into account any contractual and practical considerations associated with the transfer of the services. The timescales for development are set out in Section 7.

Theft Related Services

- 3.3. SPAA and DCUSA currently include two theft related services: the Theft Risk Assessment Service (TRAS) which is delivered via a tripartite contract between SPAA Ltd, DCUSA Ltd and Experian; and the Energy Theft Tip-Off Service (ETTOS) which is delivered via a tripartite contract between SPAA Ltd, DCUSA Ltd and Crimestoppers. These services are defined in nearly identical SPAA and DCUSA Schedules.⁹ These Schedules include obligations on parties interacting with the services and also a definition of the service itself (specifically Appendix 1 of the TRAS Schedule includes a detailed service definition).
- 3.4. Ofgem's June 2019 consultation¹⁰ noted that the Theft Steering Group (TSG) - a joint SPAA and DCUSA committee - has agreed to undertake a theft strategy review. This will include, but not be limited to, a review of the arrangements currently set out in the SPAA and DCUSA. In particular, this review should determine whether it is appropriate for TRAS to be carried over into the REC in its current form, modified or replaced in its entirety. We note that whatever the outcome of the strategy review, the existing contract with Experian cannot be further extended, so a procurement must be undertaken for any service required from April 2021 onwards.
- 3.5. The theft strategy review has also considered the effectiveness of the existing theft detection incentives scheme(s) and suggested some areas in which they could be improved. We will facilitate a separate consultation on the incentive scheme(s) with a view to identifying improvement that could be made either in the short term under existing SPAA and DCUSA governance, or to be given effect through the REC.
- 3.6. We therefore consider that it would be appropriate to await the outcome of the theft strategy review before expending resource on the development of service definition document equivalent to or as a replacement for the TRAS. As the requirements are already well defined, and the theft obligations in licence will not themselves change, we do not consider that this should be a lengthy exercise and can be readily undertaken at the appropriate time. If the provisions are to be substantively amended prior to migration into the REC, we will ensure that any new drafting is wholly consistent with the REC structure and any related arrangements.
- 3.7. A report commissioned by the TSG contained a positive value for money assessment of the ETTOS. Whilst the contract for provision of this service is also due for renewal by March 2021, no material changes to the service description have been suggested to

⁹ TRAS provisions are defined in SPAA Schedule 34 and DCUSA Schedule 25. ETTOS provisions are defined in SPAA Schedule 37 and DCUSA Schedule 26.

¹⁰ <https://www.ofgem.gov.uk/publications-and-updates/switching-programme-and-retail-code-consolidation-proposed-changes-licences-and-industry-codes>

date. We therefore consider that the ETTOS provisions will be carried forward into the REC regime substantively unchanged.

Way Forward

- 3.8. We have consolidated the existing ETTOS provisions into a single dual fuel REC schedule and associated service definition. Whereas the tip-off line was originally conceived as being part of the overall TRAS arrangements and only separated out due to difficulties in the subsequent contractual discussions, it will now be taken forward as a standalone and enduring element of the theft arrangements.
- 3.9. We remain of the view that a centrally provided data analytics service is likely to be required in order to ensure that all suppliers are able to discharge their theft obligations effectively and efficiently. We look forward to the outcome of the TSG review to determine whether a like-for-like replacement for the TRAS is required, and whether any replacement service should remain a standalone service or possibly be linked to an investigative service as envisaged in the proposals for a National Revenue Protection Service.¹¹ Regardless of whether suppliers remain incentivised, or will in future be obligated, to follow up on any theft leads, their performance in this respect will be monitored and assured by the PAB.

Metering Audit and Adjudication Services

- 3.10. SPAA currently governs the Meter Asset Manager Code of Practice (MAMCoP) and the Approved Meter Installer Code of Practice (AMICoP). A metering auditor has been procured to assess each metering agent's compliance with these Codes of Practice. This audit service is currently procured by SPAA Ltd, with details of the audit service included within the relevant SPAA Schedules.¹²
- 3.11. The situation in electricity is slightly different, with the Meter Operator Code of Practice Agreement (MOCOPA) sitting outside industry codes as a stand-alone agreement between metering agents and Distribution Network Operators (DNOs). A metering auditor has also been procured to assess compliance with the Code of Practice requirements.
- 3.12. Ofgem's June consultation proposed consolidating the gas and electricity code of practice provisions into a single REC Schedule. This could allow the future harmonisation of audit requirements into a single service. However, given the commercial implications, this harmonisation may not be possible prior to migration of the service.
- 3.13. Work to develop a harmonised metering schedule is expected early 2020. This is expected to include the development of clear requirements on metering agents; governance provisions relating to the audit and change process; and a specification of the audit services for inclusion in the REC Technical Specification. We also expect this work to identify the necessary links between the activities undertaken in compliance

¹¹ See: [Tackling Gas Theft: Final Impact Assessment, Ofgem ref: 35A/12](#).

¹² MAM provisions are defined in SPAA Schedule 32 and AMI provisions are defined in SPAA Schedule 40.

with the existing codes of practice and future metering schedule(s) and the performance assurance regime.

- 3.14. An additional meter related service is also included within SPAA: the Scheme Adjudicator is responsible for considering disputes between metering agents and appeals in relation to audit outcomes. This service is delivered via a contract between SPAA Ltd and Gowling WLG. It is proposed that the definition of this service is also separated out into a distinct service definition as part of the metering schedule development.

Way Forward

- 3.15. Subject to the conclusions following the June 2019 consultation, the definition of metering audit and adjudication services will be extracted from the metering agent obligations during harmonisation of the gas and electricity provisions in Q1 2020, with three separate service definitions developed covering:

- Electricity metering auditor;
- Gas metering auditor; and
- Gas metering adjudicator.

Gas Central Data Service Provider Third Party REC Services

- 3.16. Under the REC, Xoserve has multiple switching related obligations as the Gas Retail Data Agent and Gas Enquiry Service Provider. These switching services will be defined as set out in Section 2 and are therefore not covered further here.

- 3.17. This section covers activities delivered by Xoserve, as the CDSP which are currently defined as existing SPAA obligations and delivered via a commercial agreement with SPAA Ltd, and those that may potentially be required in the future:¹³

- SPAA Schedule 22 monthly reporting – Section 7 of SPAA Schedule 22 details 3 specific reports that Xoserve must deliver on a monthly basis to highlight the percentage of metering data flows to the CDSP that are rejected, per Supplier. A bilateral contract is in place between SPAA Ltd and Xoserve for the delivery of these reports;
- SPAA Schedule 22 annual metering reconciliation – Section 7 of SPAA Schedule 22 also details a requirement in Xoserve to carry out an annual metering reconciliation between the data held by each individual Meter Asset Manager (MAM) and the data held by the CDSP. A bilateral contract is in place between SPAA Ltd and Xoserve for the delivery of this activity;

¹³ The REC service definition will not include the wider CDSP services delivered via the Data Services Contract as these are defined within UNC governed documents.

- Prepayment Reporting – SPAA Schedule 43 includes a requirement on Xoserve to provide historical market share data to enable reconciliation of misallocated payments made via prepayment meters. A bilateral contract is currently in place between SPAA Ltd and Xoserve for the delivery of this activity;
- Provision of Centralised Meter Data – The RGMA Faster Switching Review Group proposed that access to meter data held by Xoserve should be extended beyond the existing MAM access, to allow potential new MAMs to view data before or just after being appointed to a Supply Point. A change proposal relating to this recommendation was raised at the DSC Contract Managers Committee and initial feedback from Shippers was that they are not comfortable paying for this change as they will not receive any benefits. One potential option to enable this change to be progressed would be to place the requirement for provision of the data within SPAA with a bilateral contract between SPAA Ltd and Xoserve to provide the data. Although this was flagged in a switching forum, it is not critical to the switching arrangements and not in scope of the switching programme. It has been included here for information as it could potentially be delivered via the REC at a later date.

3.18. In addition, there are other areas of SPAA governance currently being considered which could lead to a direct relationship with Xoserve, e.g. follow up assurance activities to understand the root cause of Schedule 22 non-compliances.

3.19. Each of the current activities has been defined through separate bilateral contracts between Xoserve, as CDSP and SPAA Ltd. It is not yet clear whether these contracts will be novated to RECCo Ltd separately or as a single holistic framework agreement covering all services. Regardless of the contracting method, it is proposed that a single CDSP service definition should be developed, defining all of the services that Xoserve will be required to deliver under the REC, following migration from SPAA. Including these in a single place will provide clarity and avoid fragmentation across multiple schedules.

Way Forward

3.20. Development of a single service definition covering all of the services that the CDSP is required to deliver under the REC.

Electricity Additional Services

3.21. Gemserv has an existing contract with MRASCo to deliver services relating to the Electricity Central Online Enquiry Service (ECOES). The key services relating to the sharing of data via a web portal and API functionality have been included in the EES Service Definition. However, there are a number of additional activities that are delivered via the ECOES system which do not fall within these core services, for example:

- Allocation of prepayment values – the service receives a text file from each supplier and loads this into the ECOES system to enable individual suppliers? to check for unallocated payments;
- Secure communications – it is proposed that ECOES will be used for passing secure messages between parties. Note, this is currently being progressed

through the MRA and SPAA change processes so has not yet been included as an agreed service and should therefore be drafted with REC in mind;

- Import / Export MPANs – the ECOES system includes functionality that allows suppliers to request new import and / or export MPANs.¹⁴

3.22. It is proposed that these services should be included in one or more separate service definitions rather than being consolidated into a single defined service alongside the data access provisions. This will enable future separation of activities which do not need to be delivered by a single service provider e.g. if a dual fuel enquiry service is procured.

3.23. Further work to define these services and any operational requirements that need to migrate from the MRA will be required in 2020.

Way Forward

3.24. Develop one or more service definitions covering all of the services that will be delivered using ECOES functionality under the REC.

Green Deal Central Charging Database Service

3.25. The MRA currently includes provisions requiring Electricity Suppliers to establish and maintain a Green Deal Central Charging Database (GDCC) which holds data relating to green deal applications and provides access to this data by authorised parties.

3.26. The GDCC facilitates the process of managing information related to the collection and remittance of green deal charges between Green Deal Licensees (Electricity Suppliers) and Green Deal Providers.

3.27. The main functions of the GDCC are:

- Registering Green Deal plans;
- Recording relevant data for each Green Deal plan;
- Updates to relevant data by organisations as set out in MAP18 and validation of that data;
- Information exchange between GDCC and users as set out in MAP18;
- Production of reports; and

¹⁴ Note that we will give further thought to whether this requirement would sit better in the DCUSA.

- Access to data records, flows, logs and other information for audit purposes

3.28. It is anticipated that the existing green deal provisions will transfer to the REC as part of the RCC SCR in April 2021. The existing provisions will be reflected in a REC Green Deal Schedule, together with a Green Deal Central Charging Database Service Definition. Amendments to the draft Data Access Schedule may also be required to reflect access to data held within this database.

Way Forward

3.29. Development of a service definition covering the Green Deal Central Charging Database Service to be delivered under the REC.

Data Access Audit Services

3.30. In electricity, users are required to undergo an initial audit before access is provided to ECOES, with annual audits thereafter to ensure compliance with provisions in the MRA and third party access agreements. In gas, there is no requirement for regular audits for DES, although Xoserve does have a right to audit if there are data protection or information security concerns.

3.31. Bringing both the EES and GES within a single governance regime enables greater harmonisation between the two services and has highlighted this inconsistency as a point that warrants further consideration. This is covered further within the Security and Data Privacy Approach (see Appendix 3).

3.32. Our proposal is to include data access assurance requirements within the Code Manager responsibilities; therefore, we are not expecting existing audit provisions to migrate into a standalone REC service definition.

Way Forward

3.33. Inclusion of the data access assurance provisions within the Code Manager service definition.

4. Cost recovery

4.1. We expect RECCo to recover its own costs, including the cost of directly procured services such as the Code Manager, through a bundled service charge. These costs will be recovered from suppliers on a per MPxN basis. There will also be scope for elective services and these costs would be targeted at the users of that service.

4.2. The REC has been developed on the assumption that charges for DCC's functions (CSS and Switching Operator) would also be recovered through RECCo charges to suppliers (REC V1.0 section 10 – currently intentionally blank). As above, the core costs will be recovered via RECCo from suppliers on a per MPxN basis and there will be scope for elective service costs to be recovered from users of that service.

4.3. We propose that a similar approach is used where RECCo is directly contracting for a service under the REC. This includes most of the services noted above in Section 2 and

3, other than the GRDS, ERDS and, depending on whether it is incorporated with one of DCC’s existing functions, the CCA.

- 4.4. For the ERDS, the default position would be for DNOs costs to be included within the DCUSA invoice to suppliers. Although the permission to charge and the basis of the changes will be set out in the REC. This mirrors how MPAS costs are currently recovered in respect of services performed under the MRA. We note that this may have some efficiency benefits as it allows for DNO costs under the DCUSA, BSC and REC to be captured in one place and recovered through the same invoice. However, we are considering an alternative option for DNO charges to be included within the RECCo invoice.
- 4.5. Under our default governance approach noted above, Xoserve would recover some of its costs from suppliers via the bundled RECCo change (for the Gas Central Data Service Provider Third Party REC Services) and charges for the GRDS would be via the Data Services Contract under the UNC. This would mean that GRDS costs would be recovered from UNC parties with the expectation that gas shippers would bear most if not all of these. We are considering an alternative approach whereby the costs for all of Xoserve’s services under the REC are captured in the RECCo invoice, and therefore met by suppliers.
- 4.6. We have not yet considered how costs for the CAA should be recovered, but we note that there is potential, if the alternative proposals for the GRDS and ERDS are accepted, that charges for all services under the REC can be captured in a single invoice for suppliers. We note that other parties could also incur charges under the REC, for example, in relation to transactional services such as reporting.
- 4.7. A REC Charging Schedule is being developed and we will consult on this and any outstanding policy issues. Therefore a specific question has not been included in this consultation.

5. Transition from existing requirements

- 5.1. Switching and non-switching service definitions will be introduced via either the RCC or Switching SCR. Where services included within the RCC SCR are expected to change as a result of the new switching arrangements, a second version will be introduced within the Switching SCR, incorporating requirements that will be in place after the CSS goes live.
- 5.2. The table below details the implementation approach and how this affects the drafting currently being developed:

Service	SCR	Comments
Switching Operator	Switching	To be introduced at CSS go live Initial draft included in this consultation (see Annex 1) and will be consulted upon in full in Spring 2020
CSS	Switching	To be introduced at CSS go live

		Initial draft included in this consultation (see Annex 2) and will be consulted upon in full in Spring 2020
GRDS	Switching	To be introduced at CSS go live Initial draft included in this consultation (see Annex 3) and will be consulted upon in full in Spring 2020
ERDS	Switching	To be introduced at CSS go live Initial draft included in this consultation (see Annex 4) and will be consulted upon in full in Spring 2020
GES	RCC / Switching	Post CSS version draft included in this consultation (see Annex 5) and will be consulted upon in full in Spring 2020 Pre CSS version to be included in Spring 2020 consultation
EES	RCC / Switching	Post CSS version draft included in this consultation (see Annex 6) and will be consulted upon in full in Spring 2020 Pre CSS version to be included in Spring 2020 consultation
CCA	Switching	To be introduced at CSS go live Currently being drafted, to be included in the Spring 2020 consultation
Code Manager (including RDS)	RCC / Switching	To be introduced following procurement exercise Currently being drafted, to be shared in 2020
Theft Services	RCC	To be introduced April 2021 Initial draft to be included in Spring 2020 consultation
Meter Agent and Adjudication	RCC	To be introduced April 2021 Initial draft to be included in Spring 2020 consultation
Gas CDSP Third Party REC Services	RCC	To be introduced April 2021 Initial draft to be included in Spring 2020 consultation

Electricity Additional	RCC	To be introduced April 2021 Initial draft to be included in Spring 2020 consultation
Green Deal Central Charging Database	RCC	To be introduced April 2021 Initial draft to be included in Spring 2020 consultation
Data Access Audit	RCC	To be introduced April 2021 Initial draft to be included in Spring 2020 consultation

6. Roles and Responsibility

6.1. This section defines the deliverables / activities to be developed during 2019 / 2020. It sets out the organisation(s) responsible for delivery:

- Development Approach – (this appendix) sets out the proposed approach to the development of the service definitions. Ofgem’s Switching Programme is responsible for developing this document and has done so with support from existing code bodies (ElectraLink, Gemserv and Xoserve), DNOs and DCC in relation to new switching services. Proposals have been reviewed by the Regulatory Design User Group (RDUG) and the REC Steering Board prior to this consultation.
- Service Definitions – each service definition will be developed by the relevant service provider and subject to review by the Ofgem Switching Programme. Draft service definitions will be reviewed by RDUG prior to the relevant consultation.

7. Proposed timeline

Date	Activity
Jul – November 2019	Service Definition approach and switching service definitions developed.
Autumn 2019	Industry consultation on development approach and draft switching service definitions.
Jan – April 2020	Remaining switching and non-switching service definitions developed.

Spring 2020	Ofgem consultation on remaining draft switching and non-switching service definitions.
Q3 2020	Baseline REC drafting.
Nov 2020	Finalise REC and other codes for SCR submission.
Apr 2021	RCC SCR implemented with non-switching service definitions.
CSS go live	Switching SCR implemented with switching service definitions.

Annex

Index

Annex	Name of annex	Link
1	Switching Operator (SO) Service Definition	https://www.ofgem.gov.uk/system/files/docs/2019/11/annex_1_so_service_definition_0.pdf
2	Central Switching Service (CSS) Service Definition	https://www.ofgem.gov.uk/system/files/docs/2019/11/annex_2_css_service_definition_0.pdf
3	Gas Retail Data Service (GRDS) Service Definition	https://www.ofgem.gov.uk/system/files/docs/2019/11/annex_3_grds_service_definition_1.pdf
4	Electricity Retail Data Service (ERDS) Service Definition	https://www.ofgem.gov.uk/system/files/docs/2019/11/annex_4_erds_service_definition_1.pdf
5	Gas Enquiry Service (GES) Service Definition	https://www.ofgem.gov.uk/system/files/docs/2019/11/annex_5_ges_service_definition_0.pdf
6	Electricity Enquiry Service (EES) Service Definition	https://www.ofgem.gov.uk/system/files/docs/2019/11/annex_6_ees_service_definition_0.pdf