

Rachel Clark  
Switching Programme  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 EPU

16 November 2020

**RE: REC V1.1 Consultation**

I write as the current chair of the Association of Independent Meter and Data Agents (AIMDA). AIMDA is a trade organisation that represents the largest and independent non-domestic metering and data collection businesses in the UK<sup>1</sup>. Collectively our members manage metering and data at the majority of non-domestic sites covered by the smart metering roll-out. Consumer choice and competition in metering and data are therefore core principles for our association.

AIMDA has concerns that any centralisation has the potential to stifle innovation and competition, including centralisation of governance. AIMDA is therefore opposed to its members becoming Parties to the REC and has concerns about the proposed performance assurance regime that has the potential to undermine the supplier hub model and our commercial arrangements.

Specifically, answering the consultation questions most relevant to our concerns:

*Q2.2 Do you agree that MEMs should be Party to the REC?*

AIMDA does not agree that its members should be Parties to the REC. Whilst we agree that a place needs to be found in the regulatory frameworks for the gas CoPs due to the closure of the SPAA, this does not justify the transfer of all metering obligations to the REC, and then adding the complexity of making metering agents parties to the REC. The gas CoPs could transfer across to the REC without requiring gas MAMs to become a Party to the REC.

It would appear that the primary justification for introducing the role of the MEM and making it a party to the REC seems to be to deal with some legacy performance issues in the non-domestic gas market. AIMDA would argue that these problems can be addressed in any number of ways that would be more efficient than that proposed. Looking to the electricity metering market, the performance assurance regime operates successfully in keeping electricity Meter Operators in compliance with the operational and technical codes. Replicating this model for the equivalent gas codes would seem to be the simplest approach to solving any compliance problems, and would not require such wholesale changes. The electricity metering market operates successfully without needing Meter Operators to be signatories to the BSC. The accreditation, performance assurance and auditing framework is sufficient and certainly is not “arms-length” governance.

---

<sup>1</sup> AIMDA members – IMServ Europe Limited, Energy Assets Limited, Siemens Managed Services, SMS Plc, Stark Software International Ltd, WPD Smart Metering Ltd and TMA Data Management Ltd.

Making metering agents parties to the REC therefore appears to be an unnecessary change at a practical level. It also undermines the concept of the Supplier-Agent hub, which is a fundamental principle of the current arrangements, which again AIMDA would view as having been very successful in delivering full and effective competition to non-domestic customers for both metering and data collection activities. Any pseudo-centralisation of the management of these agents by someone like the RECCo risks adding confusing and contradictory requirements into this well-established activity.

Furthermore, the lack of detail in the consultation around the extent to the transfer of obligations from the BSC to the REC makes it difficult to comment on the simplicity or otherwise of the proposal. This change would appear to make the compliance situation from a Meter Operator's perspective more complex, not less, with no particular advantages to be gained.

*Q2.3 Do you agree in principle that the obligations currently placed upon metering agents by the BSC could be integrated with the REC performance assurance framework, subject to certain conditions being met?*

AIMDA disagrees with the transfer of obligations from the BSC to the REC, and therefore disagrees with the REC performance assurance framework applying to metering agents for these measures. If there was a transfer, it would need to be complete and in entirety – nothing should remain in the BSC. Anything else would be a half-way house that increases complexity. Going back to the answer to Q2.2, should such a transfer occur, it would not be necessary to make Meter Operators parties of the REC to be able to apply performance assurance management to them – the last 20 years of the BSC performance assurance provides a successful model to replicate.

We would welcome further discussion on this matter and would welcome the opportunity for AIMDA to share its views with yourself and TABASC in more detail, and discuss any concerns or issues that may be present.

Yours faithfully,

Joel Stark  
Chair - AIMDA