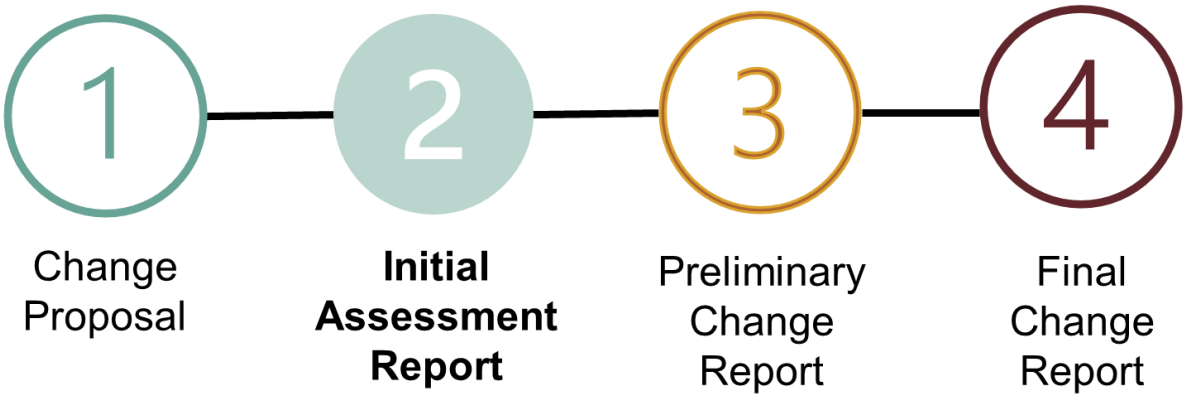
RETAIL ENERGY CODE

This document is classified as **WHITE**.
Information is for public, unrestricted dissemination and publication.

INITIAL ASSESSMENT REPORT



PURPOSE:	This is a written report from the Code Manager setting out their initial assessment of the Change Proposal and planned next steps for progressing the proposal.
NOTES:	The Initial Assessment Report is accompanied by a Change Proposal Plan, which describes the Code Manager's plan for progressing this Change Proposal. The solution will not be finalised until the publication of the Preliminary Change Report.
NEXT STEPS:	The Change Proposal Plan will set out the next steps for progressing this Change Proposal. The Code Manager will either propose additional activities to develop and/or assess the solution, or immediately prepare and publish the Preliminary Change Report.

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01	Initial Assessment Report
02	Preliminary Change Report
03	Final Change Report

INITIAL ASSESSMENT REPORT

R0041 – REC V3.0

DOCUMENT VERSION	2.0
DATE ISSUED	04/05/2022
DOCUMENT APPROVAL STATUS	APPROVED BY REC CHANGE PANEL
RESPONSIBLE COMMITTEE	CHANGE PANEL

CHANGE OVERVIEW

This Authority Change Proposal seeks to introduce the processes, obligations and provisions underpinning the new switching arrangements into the REC, which have been developed and consulted on as part of Ofgem's Switching Programme.

	High Impact: Energy Suppliers, Distribution Network Operators, Gas Transporters, Metering Equipment Managers, Electricity Enquiry Service Users, Gas Enquiry Service Users, Gas Retail Data Service Provider, Electricity Retail Data Service Provider, Electricity Enquiry Service Provider, Gas Enquiry Service Provider, Central Switching Service Provider, CSS Certificate Authority, Switching Operator Service Provider
	Medium Impact: N/A
	Low Impact: N/A

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1 SUMMARY

Version 3.0 of the Retail Energy Code (REC v3.0) will come into force as part of Ofgem's Switching Significant Code Review[1] (SCR) with the introduction of the Central Switching Service (CSS) and the new Switching arrangements. The aim is to improve Consumers' experiences of switching energy supplier, leading to greater engagement in the retail energy market.

This Authority Change Proposal has been raised by the Gas and Electricity Markets Authority, pursuant to the Switching SCR and will ensure the appropriate obligations, processes and provisions are defined within the REC. Thereby enabling successful transition to enduring governance and operational arrangements.

Ofgem has directed the timeline for this Change Proposal in its letter to the Code Manager, dated 07 April 2022[2], this timeline is set out within the Change Proposal Plan.

2 PROBLEM STATEMENT

Changes are required to the REC, to ensure the appropriate obligations, processes and provisions are defined within the REC at CSS go-live, enabling successful transition to enduring governance and operational arrangements developed as part of Ofgem's Switching Programme.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	As a Consumer, I want to be able to successfully switch my Energy Supplier with minimal delay or hassle, so that I can start to receive the service and tariff from my chosen Energy Supplier at the earliest opportunity.
MARKET PARTICIPANT / CODE BODY / REGULATOR USER STORIES	
M1	As the Authority, I want the necessary changes made to the Retail Energy Code to introduce the obligations, processes and provisions for the new switching arrangements, to enable the successful transition to enduring governance and operational arrangements.
M2	As a REC Party, I want to be clear on the obligations I need to meet and the processes I need to follow post CSS go live, to ensure my organisation is ready for the introduction of the new switching arrangements.
M3	As a REC Service Provider, I want to be clear on the obligations, processes and service standards that I need to meet, to ensure my organisation is ready for the introduction of the new switching arrangements.

[1] https://www.ofgem.gov.uk/publications/switching-significant-code-review-launch-statement-and-request-expressions-interest-participate-programme-workgroups

[2] Letter from the Authority to the REC Code Manager - REC V3.0 Authority Change Proposal

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4 IMPACTS

REC PARTIES AND SERVICE USERS
Energy Suppliers
Distribution Network Operators
Gas Transporters
Metering Equipment Managers
DCC
Electricity Enquiry Service Users
Gas Enquiry Service Users

REC SERVICE PROVIDERS
Switching Data Service Providers
Gas Retail Data Service
Electricity Retail Data Service
Electricity Enquiry Service
Gas Enquiry Service
Central Switching Service
CSS Certificate Authority
Switching Operator Service

CONSUMERS
All Consumers

REC SCHEDULES	TYPE OF CHANGE
REC Main Body	Amended
Interpretation and Definitions	Amended
Change Management	Amended
Qualification and Maintenance	Amended
Charging Methodology	Amended
Data Access	Amended
Metering Operations	Amended
Market Exit	Amended
SPAA Transition	Removed
MRA Transition	Removed
Registration Services	New
Switching Data Management	New
Related Metering Points	New
Resolution of Consumer Facing Switching and Billing Problems	New
RMP Lifecycle	New
Switching Service Management	New
Address Management	New
Central Switching Service	New

SERVICE DEFINITIONS	TYPE OF CHANGE
Electricity Enquiry Service Definition	Amended
Electricity Retail Data Service Definition	New
Gas Enquiry Service Definition	New
Gas Retail Data Service Definition	New
Switching Operator Service Definition	New

CSS Certificate Authority Service Definition	New
Central Switching Service Definition	New

DATA SPECIFICATION	TYPE OF CHANGE
CSS Interface Specification	New
Standards Definition	Amended
Amended Data Specification (Market Messages)	Amended/Removed
Amended SDEP messages	Amended
Data Access Matrix	Amended

CATEGORY 2 DOCUMENTS	TYPE OF CHANGE
CSS Certificate Profile	New
CSSC Supply Point Switching	New
Xoserve Meter Asset Enquiry API documentation	New
Xoserve Supply Point Enquiry API documentation	New
EES API Technical Specification	Amended
PAF Documents - Performance Assurance Report Catalogue (PARC)	Amended

All new and amended REC Category 1 and 2 documents have been developed, and extensively consulted on, as part of the Switching Programme. The baselined legal text for all products will be available on 13 May 2022, ahead of the Final Change Report being published on 20 May 2022. The latest versions of the impacted products can be found on the REC Portal here and accessed via the Energy Market Architecture Repository (EMAR) here.

In addition to the new and amended products, the MRA and SPAA Transition Schedules will be removed, with applicable provisions transferring to the Consumer Facing Switching and Billing Schedule. The Supplier Meter Registration Service (SMRS) provisions that were originally part of the MRA, which are currently held in the MRA Transition Schedule, will be transferred to the Balancing and Settlement Code (BSC) as part of REC v3.0. BSC modification P436 has been raised to facilitate the transfer and deliver the consequential BSC changes relating to the Switching SCR.

Approximately 25 Category 3 products will be introduced or amended at CSS go-live, Category 3 Change Proposal C3-0020 has been raised to progress these changes.

4.1 CROSS CODE IMPACTS

This Change Proposal does not directly impact other Codes; however, there are consequential changes to other Codes which have already been raised as Authority-led modifications with the relevant code bodies under Ofgem's Switching SCR. It is the Switching SCR itself that has led to those consequential changes being required, as opposed to this Change Proposal itself.

5 CHANGE PATH AND RESPONSIBLE COMMITTEE

CHANGE PATH	AUTHORITY DETERMINED
RESPONSIBLE COMMITTEE	CHANGE PANEL

This proposal has been raised by the Authority, in accordance with Paragraph 9.3(d) of REC Schedule 5.

This requires the decision to approve the change to be determined by the Authority.

6 PRIORITY STATUS AND URGENCY

PRIORITY STATUS	CRITICAL
URGENCY	URGENT

PRIORITISATION MATRIX

Significance	Score	Weighting
Legal/Regulatory Compliance	3	30
Strategic Direction	3	20
Cost Benefits / Value	2	10
Consumer Impacts	2	30
Operational Efficiency	0	10

Urgency

3	N/A	13	23	33
2	02	12	22	32
1	01	11	21	31
0	00	10	20	N/A

Significance

Weighted Significance Score	2
Urgency	3
Overall Priority Score	**23**

Effort	1 - Moderate

Priority Score	Priority Status
23 - 33	Critical
13 - 22	High
11 - 21	Medium
00 - 10	Low

PRIORITY STATUS
Critical

The Priority Status for this Change Proposal is 'Critical' based on a 'Weighted Significance' score of 2 and an 'Urgency' score of 3. This is broken down as below:

Significance:

Legal/Regulatory Compliance – a score of 3 as this change will integrate the relevant switching schedules, infrastructure and processes into the REC, where they will subsequently be governed. This will enable the effective governance and operation of the new switching arrangements post CSS go-live.

Strategic Direction – a score of 3 as the implementation of this Change Proposal will supports the achievement of the Switching Programme objectives and RECCo

Cost Benefits/Value – a score of 2 to reflect the overall monetised benefit to Consumers, which is estimated to be between £185m and £1,077m, as set out in the Ofgem's Full Business Case[3].

[3] https://www.ofgem.gov.uk/publications/switching-programme-full-business-case

Consumer Impacts – a score of 2 to reflect the improvements to Consumers' experience of switching, which will be seen through the transition to the new switching arrangements.

Urgency:

This Change Proposal has been given an urgency score of 3 to reflect the need for it to be progressed immediately for it to achieve the timeline directed by the Authority.

We propose that this Change Proposal should follow an urgent timetable on the basis that:

- The change needs to be linked to a specific date (e.g., introduction of legislation, system release date, planned consultation or impact assessment timings, etc.).

7 SUMMARY OF CHANGE PROPOSAL PLAN

The timeline for this Change Proposal has been directed by the Authority in its letter to the Code Manager, dated 07 April 2022.

The impacted REC products have been developed and extensively consulted on as part of the Switching Programme. Therefore, it is proposed, in line with the activity and the timeline directed by the Authority, this Change Proposal will move immediately to Final Assessment. With the Final Change Report being published on the 20 May 2022.

Following a Responsible Committee review, the Final Change Report will be referred to the Authority for determination.

If the Authority decides to approve this Authority Change Proposal, then implementation will need to take place in line with the CSS Go-Live Date. The CSS Go-Live Date will be designated by the Authority and is currently expected to be 18 July 2022.

	FROM	TO
LEGAL TEXT BASELINED	13/05/2022	13/05/2022
FINAL CHANGE REPORT ISSUED	20/05/2022	20/05/2022
RESPONSIBLE COMMITTEE DECISION	07/06/2022	07/06/2022
AUTHORITY DETERMINATION	20/06/2022	20/06/2022

8 GLOSSARY

TERM	DEFINITION
Authority	means the Gas and Electricity Markets Authority (GEMA) as established under section 1 of the Utilities Act 2000.
Authority Change Proposal	means a Change Proposal submitted by the Authority, or a Party acting at the direction of the Authority pursuant to a Significant Code Review.
CSS Certificate Authority	means the CSS Provider in its role as security certificate authority for the Central Switching Service.
Switching Operator Service Provider	means the services performed by the Switching Operator pursuant to REC Schedule 29: Switching Service Management
Central Switching Service (CSS)	means the Systems and processes provided or procured by the CSS Provider for the purpose of providing the Address Management Service and the Registration Service.
Central Switching Service Provider	means the DCC when performing functions under or in relation to this Code (but always excluding its functions under the Smart Energy Code and its roles as CSS Systems Integrator, SI Provider and Switching Operator), including in respect of the Central Switching Service and including in effecting the design, build and testing of any System that will allow it to perform functions under this Code after the CSS Go-Live Date. This role is the CSS Procurer and Manager function as described in the E2E Data Migration Plan, E2E Integration Plan, E2E Post Implementation Plan, E2E Testing Plan, E2E Transition Plan: Implementation Approach and E2E Transition Plan: In-Flight Switches Approach.
Distribution Network Operators	means a person holding an Electricity Distribution Licence.
Electricity Enquiry Service	means the service described as such in the EES Service Definition.
Electricity Enquiry Service Provider	means the provider of the Electricity Enquiry Service.
Electricity Retail Data Service	means the electricity registration services provided under this Code to support the provision of electricity retail data to the CSS and other services.
Energy Market Architecture Repository (EMAR)	means the repository containing obligations, business rules and processes for this Code and data specifications for this Code and other Energy Codes.
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.
Gas Enquiry Service	means: (a) until CSS Go-Live Date, the enquiry service provided pursuant to the UNC which allows authorised users to access Gas Retail Data; or (b) from CSS Go-Live Date, the service of that name procured by RECCo pursuant to the Data Access Schedule.
Gas Enquiry Service Provider	means the provider of the Gas Enquiry Service.

Gas Retail Data Service	means the gas registration services provided under this Code to support the provision of gas retail data to the CSS and other services.
Gas Transporter	means a person holding a Gas Transporter Licence which requires that person to become a Party to this Code.
Metering Equipment Manager (MEM)	means, as applicable, either: (a) for electricity, the Meter Operator Agent (as defined in the BSC) Appointed by an Electricity Supplier; or (b) for gas, the Meter Asset Manager (as defined in the UNC) Appointed by the Gas Supplier.
Office of Gas and Electricity Markets (Ofgem)	Ofgem is the regulator for Britain's gas and electricity industries, overseen by the Gas and Electricity Markets Authority (the Authority)
Retail Energy Code (REC)	means this Code, including its Schedules and the Technical Specification, maintained pursuant to the electricity supply licences granted under the Electricity Act 1989 and the gas supply licences granted under the Gas Act 1986, as such code is modified from time to time in accordance with its provisions.
Retail Energy Code Company (RECCo)	means the company established under Clause 5 of the main body of this Code.