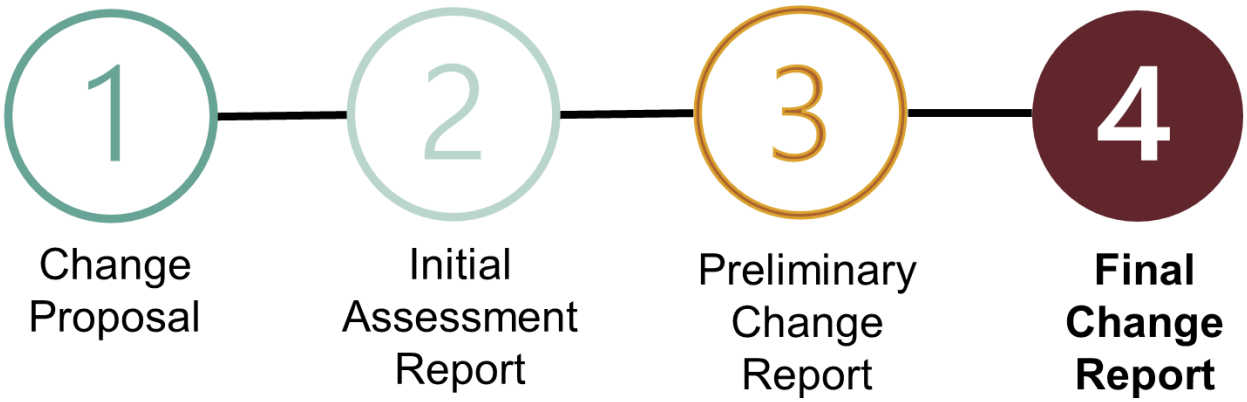
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FINAL CHANGE REPORT



PURPOSE:	The Final Change Report sets is the final stage of the Change Proposal, following consultation of the Preliminary Change Report. The Code Manager will set out their final assessment and recommendation, clarifying any changes made from the Preliminary Change Report.
NOTES:	There are three versions of the Final Change Report: one is issued the Responsible Committee for decision; one is published after the vote; and (if Authority Approval is required) one is published after the Authority determination.
NEXT STEPS:	The Final Change Report will be issued to the Responsible Committee who will vote to either approve or reject the Change Proposal, considering the recommendation of the Code Manager.

RETAIL ENERGY CODE

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

FINAL CHANGE REPORT

R0042 – PERFORMANCE ASSURANCE BOARD TERMS OF REFERENCE

DOCUMENT VERSION	2.0
DATE ISSUED	24/06/2022
DOCUMENT APPROVAL STATUS	APPROVED

RESPONSIBLE COMMITTEE	CHANGE PANEL

LEAD ANALYST	Jonathan Holland	EMAIL
TECHNICAL LEAD	Rosaland Timperley	EMAIL
ASSURANCE LEAD	Eliana Campbell	EMAIL

CHANGE OVERVIEW

This Change Proposal seeks to make the necessary updates required to the Performance Assurance Board Terms of Reference regarding extraordinary meetings and quoracy arrangements in preparation for CSS Go-Live Date and REC V3.0.

	High Impact: N/A
	Medium Impact: N/A
	Low Impact: Central Switching Service Provider, Electricity Enquiry Service Provider, Gas Enquiry Service Provider, Electricity Retail Data Service, Gas Retail Data Service

CODE MANAGER'S RECOMMENDATION

The Code Manager recommends Change Proposal R0042 is **APPROVED** for implementation on the CSS Go Live Date.

RETAIL ENERGY CODE

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RETAIL ENERGY CODE

BACKGROUND

1 SUMMARY

The scope and limitations of the REC Performance Assurance Board (REC PAB) Terms of Reference (ToR) are set out in the Performance Assurance Schedule of the Retail Energy Code (REC).

The current REC PAB ToR needs updating to facilitate extraordinary meetings, their quoracy arrangements in preparation for the CSS Go-Live Date and implementation of REC V3.0. This change is being driven by the Switching Change Advisory Board (CAB), which will be in place from the CSS Go-Live Date and give an appeal route to the REC PAB.

In addition to those changes, further amendments are also being proposed to address lessons learnt in the first year of operation of the REC PAB. It became clear that the requirement to have two independent members attending the REC PAB affected the ability to achieve the required quoracy (due to planned and unplanned absence). As such, this has resulted in the need for several ex-committee decisions.

In summary the proposed changes are:

- The current 5 Working Day notice period for extraordinary meetings related to emergency operational change appeals or a derogation request from the Switching CAB may be waived, to allow meetings to be scheduled with a shorter lead time.
- Quoracy arrangements for extraordinary meetings related to emergency operational change appeals or a derogation from the Switching CAB have been updated, to allow decisions to be decided by a simple majority of those PAB members who cast a vote (which would require a minimum of three PAB members.)
- Quoracy arrangements for general REC PAB meetings will be amended to reduce the number of independent members required for a meeting to be quorate (reduced from two independent members to one).

Without these changes the appeals/derogation decisions that are required to go to the REC PAB with effect from REC V3.0 Go-Live, will not operate efficiently or in line with urgent timescales required from emergency changes.

2 PROBLEM STATEMENT

Following the implementation of REC V3.0, the current REC PAB ToR will not support extraordinary meetings and quoracy arrangements driven by the Switching CAB or the appeals route from the Switching CAB to the REC PAB.

This change seeks to update the REC PAB ToR to fully represent the changes being implemented as part of REC V3.0, and to also address lessons learnt during the REC PAB's first year of operation.

3 USER STORIES

REF.	USER STORIES
MARKET PARTICIPANT USER STORIES	
M1	As a REC Service Provider, I need the REC PAB to be able to make decisions on emergency operational change appeals and derogation requests in a timely manner, to ensure the Switching Service remains operational and effective.
M2	As a REC PAB member, I need to be able to make decisions on emergency operational change appeals and derogation requests in a timely manner, to ensure the Switching Service remains operational and effective.
M3	As a member of the Switching CAB, I need the REC PAB to make decisions on emergency operational change appeals and derogation requests in a timely manner, to ensure the Switching Service remains operational and effective.
M4	As a REC PAB Member, I need the quoracy requirements to be effective, so that meetings can go ahead and make decisions without the need to support additional ex-committee processes.

PROPOSAL

4 SUMMARY OF ANALYSIS UNDERTAKEN

The proposed changes to the REC PAB ToR were developed by the Code Manager's Performance Assurance team and endorsed by the REC PAB on 29 March 2022, prior to publishing the Change Proposal Plan. No specific analysis or solution development activity is required as there is already a defined solution.

5 DELIVERY AGAINST CHANGE PROPOSAL PLAN

To date all activity has been completed within the planned timescales.

	PLANNED	COMPLETED
DEADLINE FOR ALTERNATIVE CHANGE PROPOSAL SUBMISSION	20/05/2022	20/05/2022
PRELIMINARY CHANGE REPORT ISSUED	20/05/2022	20/05/2022
PUBLISH CONSULTATION	20/05/2022	20/05/2022
FINAL CHANGE REPORT ISSUED	24/06/2022	24/06/2022

RETAIL ENERGY CODE

6 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

6.1 RISKS AND ISSUES

No risks or issues have been identified that would affect the implementation of the Change Proposal.

6.2 ASSUMPTIONS AND DEPENDENCIES

No.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
A1	REC Service Providers are not directly impacted by the Proposed changes, which brings the REC PAB ToR up to date and in line with REC V3.0 arrangements and support the Switching Change Advisory Board (CAB).	The Code Manager has engaged with the REC Service Providers prior to the Change Proposal being raised.	Closed – this was validated during the Consultation period.

7 PROPOSED SOLUTION

The following paragraphs are proposed to be added to the REC PAB ToR:

5.5 in the case of emergency operational change appeal and derogation decisions escalated from the Switching Change Advisory Board (CAB), the five working day notice period may be waived.

5.6 the PAB secretary will notify PAB members by email and/or telephone as soon as reasonably practical prior to the calling of an extraordinary meeting.

5.11 in the case of an extraordinary PAB meeting called under the circumstances outlined in paragraph 5.5, where:

a) the PAB chair reasonably considers that it will not be possible to achieve a quorum; or

b) at the time of an extraordinary meeting it becomes apparent that the meeting is not quorate, and the PAB chair considers that there is insufficient time to re-arrange the meeting

any matter to be decided shall be decided by a simple majority of those PAB members who cast a vote (which would require a minimum of three PAB members). In line with normal PAB business, the PAB Chair would have a casting vote in the event of a tiebreak.

8 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0042 can be found here

9 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	CSS Go-Live Date

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

We propose this change is implemented on the CSS Go-Live Date, which Ofgem will designate on 30 June 2022 and is currently expected to be 18 July 2022. This will ensure the REC PAB ToR remain up to date and in line with REC V3.0 arrangements and support the Switching Change Advisory Board (CAB).

In order to achieve the proposed implementation date for this urgent Change Proposal it is necessary to implement it prior to the appeals window closing.

Following approval of the Final Change Report on 05 July 2022 the standard 10 Working Day appeals window will close on 19 July 2022. If required, Parties are advised to raise any appeals prior to 17 July 2022.

10 CHANGE PATH

CHANGE PATH	SELF-GOVERNANCE

11 RESPONSIBLE COMMITTEE

RESPONSIBLE COMMITTEE	CHANGE PANEL

12 SUMMARY OF CONSULTATION RESPONSES

A consultation was published on 20 May 2022 to obtain views on the Preliminary Change report. In total three responses were received. The key themes from these responses have been summarised and set out below.

Two REC PAB ToR related questions were received as part of the consultation. The Code Manager will respond directly to Parties to address these and the responses will be published in the consultation response document.

12.1 SUMMARY OF RESPONSES

12.1.1 COMMENTS ON THE SOLUTION

Responding Parties agreed with the proposed solution.

12.1.2 CASE FOR CHANGE AND CODE MANAGER'S RECOMMENDATION

Respondents agreed there is a case for change and agree with the Code Manager's assessment of the Change Path.

12.1.3 IMPLEMENTATION APPROACH AND DATE

Respondents agreed with the Code Manager's recommended implementation date of CSS Go-Live Date.

13 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

Assumption A1 was validated during the consultation, no further amendments have been made following the consultation.

14 BUSINESS CASE ASSESSMENT

The intention of this Change Proposal is to make changes to the REC PAB ToR to ensure the expectation set out in the Switching CAB ToR (for appeal decisions to be escalated to the REC PAB for resolution) will be implemented and work effectively in practice from the CSS Go-Live Date.

The proposed changes will mean that any issues that arise from the Switching CAB, which cannot be resolved at the CAB, are escalated efficiently to the REC PAB. This will benefit consumer switching arrangements, should there be an urgent issue that requires resolution. It also makes clear the governance routes for the Switching CAB appeal and derogation decisions are escalated to the REC PAB.

15 CASE FOR CHANGE

The Code Manager considers that there is a positive case for change to implement this Change Proposal, on the basis that:

- The proposed solution is fully formed and appropriately resolves the problem statement.
- There are no identified impacts or costs to the market in implementing the proposed solution.
- The impact of not implementing this solution would mean appeals/derogation decisions that are required to go to the REC PAB, will not operate efficiently or in line with urgent timescales required for emergency changes.

16 CODE MANAGER'S RECOMMENDATION

Based on the evidence in sections 14 and 15 of this report, the Code Manager considers a positive business case can be made for implementing this solution and recommends that the Change Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of CSS Go-Live Date.

17 APPENDIX

CHANGE PROPOSAL	Link
CONSOLIDATED CONSULTATION RESPONSES	Link
REC PAB - TOR - REC V3.0 DRAFT	Link