RETAIL ENERGY CODE

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

# CHANGE REPORT

## R0166 – REMOVAL OF THE GREEN DEAL PANEL

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| CHANGE REPORT | PRELIMINARY |
| DOCUMENT VERSION | 1.0 |
| ISSUED DATE | 09/05/2024 |
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|---|---|---|---|
| RESPONSIBLE COMMITTEE | CHANGE PANEL | CHANGE PATH | SELF GOVERNANCE |
| PRIORITY STATUS | LOW | URGENCY | STANDARD |

| | |
|---|---|
| DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS | 09/05/2024 |


**LEAD CHANGE ANALYST**



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### CHANGE OVERVIEW

This Change Proposal seeks to remove the Green Deal Panel Terms of Reference from the REC Baseline Statement and product set, and to amend the Change Panel Terms of Reference to incorporate consideration of Green Deal business.

| | |
|---|---|
| | High Impact:<br>N/A |
| | Medium Impact:<br>N/A |
| | Low Impact:<br>The Code Manager, Green Deal Users, REC Change Panel |

### CODE MANAGER'S RECOMMENDATION

The Code Manager recommends Change Proposal R0166 is **APPROVED** for implementation on 23 August 2024.

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# BACKGROUND

## 1 BACKGROUND

The Green Deal Panel is a sub-committee of the REC Change Panel and is tasked with overseeing all Green Deal related matters such as the Green Deal Arrangements and the GDCC Service Definition. The Green Deal Panel was established with effect from 01 September 2021 alongside the other REC Committees.

The functions of the Green Deal Panel are defined in its Terms of Reference.

It was anticipated that the Green Deal Panel would be convened on at least a quarterly basis – though, to date, this has not been required.

The Code Manager proposes to formally disband The Green Deal Panel and the business that would have been considered by the Green Deal Panel, be considered under the business of the REC Change Panel.

## 2 PROBLEM STATEMENT

Since the REC was established, no business has been raised that would require the Green Deal Panel to meet and therefore the group has not yet convened. As well as being an unnecessary administrative consideration, it is a challenge to keep the Members and Chair abreast of the wider REC Change Process, and the Green Deal Panel may therefore find it more challenging to discharge its functions in the event that it needs to be convened.

## 3 USER STORIES

| REF. | USER STORIES |
|---|---|
| **MARKET PARTICIPANT USER STORIES** | |
| M1 | As a party I want Green Deal matters, should they arise to be dealt with in a timely fashion. This could be difficult under the current arrangements where it is not possible to get a quorate panel to make decisions. |

## 4 SUMMARY OF ANALYSIS UNDERTAKEN

The functions of the Green Deal Panel are defined in its Terms of Reference:

- Approval of Change Plans (including Terms of Reference and timetable) for the development of required Category 2 REC Change Proposals where these relate to Green Deal provisions of the REC *[note, this function is obsolete, as approval of all Change Plans is now undertaken by the Change Panel]*;
- Receive preliminary Change Reports for such Change Proposals from the Code Manager and confirm the plan for consultation;
- Vote to approve or reject (or recommend approval of rejection to the Authority, where relevant) such REC Change Proposals, taking into account the recommendation of the Code Manager; and
- Discuss operational issues relating to REC Green Deal provisions and propose industrywide solutions, escalating risks with the REC Change Panel, Code Manager and other impacted industry stakeholders as may be appropriate.

Membership of the Green Deal Panel is composed of:

- Three Electricity Suppliers
- Three Green Deal Providers
- One Subject Matter Expert appointed by RECCo

Quorum for decision making in meetings is at least one of each of the above categories present in the meeting.

The Code Manager is required to appoint the Chair and Secretary for the Green Deal Panel. Decisions of the Green Deal Panel are by simple majority. The Chair holds a casting vote in the event that a majority decision cannot be reached.

It was anticipated that the Green Deal Panel would be convened on at least a quarterly basis – though this has not come to pass.

## 5 PROPOSED SOLUTION

The Code Manager proposes, that where Green Deal Panel business is to be discussed at the REC Change Panel, representation from the Green Deal User category will be invited to attend and participate in discussions ahead of voting. As per any other decision of the Change Panel, Members will be asked to objectively consider the wider market impact of a Change Proposal based on evidence presented to them – that principle will be unchanged for Green Deal matters, and the Members will be supported by the additional perspective of a Green Deal User representative. Green Deal User (just like any other organisation) would retain the right to Appeal any decision made by the Change Panel.

A Category 3 Change will also be required to remove the Green Deal Terms of Reference from the REC Baseline Statement and also reassign REC Green Deal Documents, under the responsibility of the Change Panel. The change will also amend the Change Panel Terms of Reference to incorporate consideration of Green Deal business, as well as clarify the voting

rules for Green Deal matters and the invitation of a Green Deal User representative to relevant parts of meetings.

Any Green Deal related issues that arise, should be taken forward for discussion at the REC Issues Group (RIG) or similar forum.

## 6 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0166 can be found here.

## 7 DELIVERY AGAINST CHANGE PROPOSAL PLAN

The Change Proposal Plan can be found here.

## 8 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

### 8.1 RISKS AND ISSUES

No risks or issues have been identified.

### 8.2 ASSUMPTIONS AND DEPENDENCIES

No assumptions or dependencies have been identified.

## 9 PROPOSED IMPLEMENTATION DATE AND APPROACH

| PROPOSED IMPLEMENTATION DATE | 23/08/2024 |
|---|---|

| PROPOSED IMPLEMENTATION APPROACH | BIG BANG |
|---|---|

## 10 CASE FOR CHANGE

When membership was sought for the Electricity Supplier and Green Deal User representatives prior to September 2021, there was very little interest from either category. Only one Supplier and one Green Deal User nomination was received, and each was appointed without the need for an election. RECCo has not identified (or been asked to identify) a Subject Matter Expert to fulfil that particular role to date.

Since the REC was established, no business has been raised that would require the Green Deal Panel to meet and therefore the group has not yet convened. As set out in the Problem

Statement, it is a challenge to keep the Members and Chair abreast of the wider REC Change Process, and the Green Deal Panel may therefore find it more challenging to discharge its functions in the event that it needs to be convened.

The sole Supplier representative has recently left the employment of their Supplier organisation. Suppliers have been asked to nominate for the vacancy (including a request through Energy UK) however no nominations were received, meaning the meeting would no longer be quorate.

## 11 CODE MANAGER'S RECOMMENDATION

Based on the evidence provided in sections 10 of this report, the Code Manager considers that 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 23 August 2024 as a big-bang, extraordinary REC release.

## 12 CONSULTATION PLAN AND NEXT STEPS

The consultation on this Preliminary Change Report for R0166 will be published on the REC Portal on 09/05/2024 and closes on 23/05/2024**.**

Following consultation, the Code Manager will produce an updated version of this Preliminary Change Report (referred to as the Final Change Report). This will include the outcome of the consultation, setting out a summary of the consultation submissions and the Code Manager's response.

The Final Change Report will be issued to the REC Change Panel to make its determination.

## 13 APPENDIX

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| **CHANGE PROPOSAL** | Link |
| **LEGAL DRAFTING** | Link |

## 14 GLOSSARY

| TERM | DEFINITION |
|---|---|
| Change Panel | means the Sub-Committee of that name. |
| Green Deal Arrangements | means the document which prior to Retail Code Consolidation governed the processes and procedures that now form part of this Code and in particular the Green Deal Arrangements Schedule. |
| Green Deal Users | means an entity which has Qualified to use the GDCC Service. |
| GDCC Service Definition | means the document of that name forming part of the Technical Specification that describes the Green Deal Central Charge Database service. |