RETAIL ENERGY CODE

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NON-CONFIDENTIAL CONSOLIDATED CONSULTATION RESPONSES

R0207 IMPORT / EXPORT MOA CHARGING CLARIFICATION

On 09 January 2025 the Code Manager issued a consultation to industry to seek feedback on the Change Report (For Consultation) for R0207 Import/Export MOA Charging Clarification.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

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RESPONSE TYPE	Non-Confidential
DATE ISSUED	27/02/2025
RESPONSIBLE COMMITTEE	Metering Expert Panel
LEAD ANALYST	Caroline Freimuller

DATE CONSULTATION ISSUED	09/01/2025
RESPONSE DEADLINE	31/01/2025

Question 1:	Do you agree with the proposed solution? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Ovo Energy (Energy Supplier)	Yes, OVO agrees with the proposed solution.	Thank you for your comments.
Brook Green Innovations (Energy Supplier)	Yes.	Thank you for your comments.
SSE Energy Supply (Energy Supplier)	SSE are supportive of the proposed solution.	Thank you for your comments.
Scottish Power Energy Retail (Energy Supplier)	We agree with the proposed solution to introduce new legal text into Schedule 14 Metering Operations, with an intention to ensure that both the Import and Export Energy Supplier are charged fairly by the MOA. However, the proposed legal text does not address the problem of export supplier being charged unfairly by the MOA. We have suggested some amendments to the proposed legal text in our answer to question 2. The proposed solution also states that Energy Suppliers will be able to escalate to the Code Manager via their Operational Account Manager (OAM) if they have evidence that MOAs are not compliant with the legal text. The Meter Operative Agent must provide a full breakdown of the overall service provided for the Metering point to each supplier, so that they can make an assessment that the charges are fair or not.	Thank you for your comments.

Good Energy (Energy Supplier)	Yes. However, we think that there is scope for further work to address two places where 207's solution could be progressed. • That there is no performance assurance activity planned. We appreciate that this may be difficult due to the reasons set out in the consultation, but we do feel that some kind of activity is desirable. • That despite 207's implementation, in the post-MHHS world, export suppliers could still be charged amounts which are in no way reflective of the extremely limited and non-differentiated role of an export-only MOA. There should be follow up activity (either via a REC modification or convened by industry/ofgem) to determine (a) if export suppliers should be charged at all for MOA services, and (b) if the answer to (a) is yes, what proportion of the total MOA charges associated with a given meter it is reasonable for the export supplier to pay.	Thank you for your comments. The Code Manager does not believe there is a way to adequately provide routine assurance on this legal text without requiring the submission of confidential, financial contracts. However, if any Party can think of an alternative, a change can be raised at a later date to add in Performance Assurance activity. It is not within the remit of the REC to determine whether Export Suppliers should receive no MOA charges or define a split of charges between the Import and Export Supplier. However these suggestions were fed back to Ofgem after Party impact assessment and the Code Manager encourages Parties to also reach out to Ofgem directly if this is something they feel strongly about.
Anonymous (Metering Equipment Manager)	n/a	n/a
Siemens (Metering Equipment Manager)	Yes.	Thank you for your comments.

Question 2:	Do you have any comments on the proposed legal text?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Ovo Energy (Energy Supplier)	No, we do not have any comments on the proposed legal text.	Thank you for your comments.
Brook Green Innovations (Energy Supplier)	No comments.	Thank you for your comments.
SSE Energy Supply (Energy Supplier)	Whilst this change will have no impact on SSE, we do not believe the current legal drafting will be sufficient to alleviate the concerns with which the problem statement is trying to resolve. We have concerns with the term 'reasonably practicable', this term in our view does not strengthen the obligations placed on MOA's in relation to the charges which they pass on to the Export Supplier. We believe amendments should be made to several clauses within the metering operations schedule as the insertion of this clause adds an additional layer of complexity in an already verbose schedule.	Thank you for your comments. The REC Legal team have advised that "reasonably practicable" is the best terminology to use here.
Scottish Power Energy Retail (Energy Supplier)	The legal text aims to prevent uncompetitive charging by MOAs to Export Suppliers where the same Metering Asset is being used to measure the import and export energy, as Export Suppliers have no choice in the appointed MOA. Although the legal text into Schedule 14 Metering Operations has been amended since the last consultation, the amened legal text only places obligation on the appointed Meter Operative Agent to treat all suppliers in the same manner when providing the same type of service. It still	Thank you for your comments. It is not within the remit of the Code Manager to specify what any Party should provide another as part of their contracts. It is for Parties to decide what is an adequate amount of detail from them to sign a contract.

	doesn't address the issue of Export supplier being charged unfairly where the type of service is not the same which can happen when there is a same metering asset being utilised for measurement of import and export for more than one metering point. We propose the following redline changes to the current revised legal text: "*2.4A Where the same electricity Metering Asset is being utilised for the measurement of Import and/or Export for more than one Metering Point, the appointed Meter Operative Agent shall, so far as reasonably practicable, treat all Suppliers in the same manner as regards costs charged by it when providing similar type of service". Where the type of service provided is dissimilar, the Meter Operator Agent shall charge suppliers fairly based on the specific service provided. The Meter Operator Agent shall also provide a detailed breakdown of charges to the suppliers to allow the suppliers to verify the fairness of the charges.*	
Good Energy (Energy Supplier)	No. We welcome the clarification made since the impact assessment, which clarifies the intent of the change being that MOAs should charge export suppliers in line with each other, rather than all suppliers.	Thank you for your comments.
Anonymous (Metering Equipment Manager)	n/a	n/a
Siemens (Metering Equipment Manager)	No, we agree with the text.	Thank you for your comments.

Question 3:	Do you agree with the proposed implementation technique? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Ovo Energy (Energy Supplier)	Yes, we agree that a Big Bang approach is appropriate for this change.	Thank you for your comments.
Brook Green Innovations (Energy Supplier)	Yes.	Thank you for your comments.
SSE Energy Supply (Energy Supplier)	SSE agree with the proposed implementation technique.	Thank you for your comments.
Scottish Power Energy Retail (Energy Supplier)	Yes, we agree with the proposed implementation technique.	Thank you for your comments.
Good Energy (Energy Supplier)	Yes.	Thank you for your comments.
Anonymous (Metering Equipment Manager)	n/a	n/a
Siemens (Metering Equipment Manager)	Yes.	Thank you for your comments.

Question 4:	Do you agree with the Code Manager's assessment of the Change Path, that this Change Proposal should be subject to determination by the Authority following approval by the Metering Expert Panel?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Ovo Energy (Energy Supplier)	Yes.	Thank you for your comments.
Brook Green Innovations (Energy Supplier)	Yes.	Thank you for your comments.
SSE Energy Supply (Energy Supplier)	SSE supports the change path this proposal should be subject to.	Thank you for your comments.
Scottish Power Energy Retail (Energy Supplier)	We don't agree with the code managers assessment of the change path. We believe the Change should be subjected to self-governance for approval by the Metering Expert Panel.	Thank you for your comments. The REC Legal team has advised this change should be Authority determined due to the unusual nature of Codes touching upon charging. The Authority have agreed with this assessment in conversations with the Code Manager.
Good Energy (Energy Supplier)	Yes.	Thank you for your comments.
Anonymous (Metering Equipment Manager)	n/a	n/a
Siemens (Metering Equipment Manager)	Yes, we've no objections to what has currently been presented.	Thank you for your comments.

Question 5:	Do you agree with the Code Manager's recommendation that this Change Proposal should be approved for implementation on 27 June 2025? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Ovo Energy (Energy Supplier)	Yes, OVO agrees that R0207 should be approved for implementation on 27th June 2025.	Thank you for your comments.
Brook Green Innovations (Energy Supplier)	Yes.	Thank you for your comments.
SSE Energy Supply (Energy Supplier)	SSE agree with the recommendation of a 27 June implementation date.	Thank you for your comments.
Scottish Power Energy Retail (Energy Supplier)	Yes, minimal process changes expected from Supplier's perspective, we believe that MOAs would need some time to make changes to ensure accurate split of charges between Import and export Suppliers.	Thank you for your comments.
Good Energy (Energy Supplier)	Yes.	Thank you for your comments.
Anonymous (Metering Equipment Manager)	n/a	n/a
Siemens (Metering Equipment Manager)	Yes.	Thank you for your comments.

Question 6:	Do you have any other comments relating to this Change Proposal?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
Ovo Energy (Energy Supplier)	No.	n/a
Brook Green Innovations (Energy Supplier)	No comments.	n/a
SSE Energy Supply (Energy Supplier)	No further comments.	n/a
Scottish Power Energy Retail (Energy Supplier)	No further comments.	n/a
Good Energy (Energy Supplier)	Please see our answer to question 1 as regards the need for follow up industry engagement to establish approaches to charging arrangements in more detail.	Thank you for your comments.
Anonymous (Metering Equipment Manager)	Further to the above consultation, we write to provide our view of the revised legal text. We understand the concern which this change request is seeking to address as regards ensuring that consumers are not charged unfairly, however we do not support the introduction of the legal text as proposed as we do not consider that it will achieve this outcome. Specifically:	Thank you for your comments. Where Export Suppliers are being refused terms or being offered uncompetitive rates by MOAs, where they have no choice in the MOA they appoint, there is currently no mechanism for them to raise this to the Code Manager. This is for the specific scenario

	• it is unclear how significant this issue is (either today or following the introduction of market-wide half hourly settlement), therefore it is unclear whether the level of disruption from the change will resolve a material and significant issue for consumers, businesses, suppliers or MOAs • the text appears to seek to determine a price cap or other fixing of price without sufficient authority (and without sufficient protection against allegations of collusion, price fixing or cartel-like behaviour for participants) • neither the legal text nor the Code Manager's current remit and terms of authority appear to provide the Code Manager with sufficient legal authority to intervene in or determine the terms upon which a party may choose to price its services • there is a significant risk that the introduction of the change will not deliver the expected change, but will instead result in costly legal challenges and disputes (either between market participants or against the Code Manager) • the introduction of the legal text is more likely to result in higher charges across the board either where MOAs need to ensure pricing for this activity covers the cost of managing legal or Code Manager challenges • if the Code Manager considers that this specific charge requires price regulation, this would be better achieved through the introduction of suitable regulation by Ofgem. This would also allow for a split between domestic and business pricing (where it would be to be expected that business to business transactions would be dealt with by parties on a commercial basis). Absent	where the same Metering Asset is being used to measure Import and Export Energy at the same Metering Point, and so the MOA is essentially charging twice for the same Metering Asset. The legal text aims to provide wording where MOAs must treat all Export Suppliers fairly and where Export Suppliers have evidence this is not occurring, a way for them to escalate this to the Code Manager. This will allow them to use the REC disputes process via their OAMs, and in extreme cases where it is warranted escalate to the Performance Assurance Board. CoMCoP clause 21.5.1 already states "the DNO shall, so far as practicable, treat all MOAs (including its own MOA/EMO business) in the same manner as regards costs charged by it" so the Code Manager is of the view it is already within our remit to make judgements on fair charging. This legal text has never led to allegations of collusion, price fixing or cartel-like behaviour. The Code Manager or PAB will not have the remit to decide what MOAs will charge. They will however be able to determine whether they think MOAs are abiding by the legal text

	such regulation, it is difficult to see how introducing this change will do anything other than introduce confusion, discord and higher prices to mitigate the same • the revised legal text does not appear to address the substantive concerns which the respondent suppliers identified (specifically, as regards the authority to introduce the change, and the manner in which they change would be applied) • it is unclear why this specific activity requires a legal (but potentially unenforceable) duty to fix pricing while other activities do not.	and providing fair charges and challenge MOAs who are not abiding by the REC. The Code Manager has fed back to Ofgem there is appetite among Energy Suppliers for further regulation, whether that be a cap, a determined split of charges between the Import and Export Supplier or stating that the Export Supplier pay no charges. This will be with Ofgem to decide whether they choose to take this forward.
Siemens (Metering Equipment Manager)	n/a	n/a