RETAIL ENERGY CODE

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

CHANGE REPORT

R0064 – CREATING A METER OPERATOR AGENT AND MOCOP INSTALLER

CHANGE REPORT	PRELIMINARY
DOCUMENT VERSION	1.1
ISSUED DATE	24/11/2023
DOCUMENT APPROVAL STATUS	APPROVED

RESPONSIBLE COMMITTEE	CHANGE PANEL	CHANGE PATH	SELF GOVERNANCE
PRIORITY STATUS	MEDIUM	URGENCY	STANDARD

DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS	10/11/2023

LEAD CHANGE ANALYST



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CHANGE OVERVIEW

This Change Proposal seeks to clearly differentiate the metering obligations, and the associated qualification obligations, set out in the REC for the various electricity metering service providers.

	High Impact: N/A
	Medium Impact: REC Code Manager Metering Equipment Managers Metering Scheme Auditor
	Low Impact: Market-wide Half Hourly Settlement Programme

TECHNICAL LEAD

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CODE MANAGER'S RECOMMENDATION

The Code Manager recommends Change Proposal R0064 is **APPROVED** for implementation on 28 June 2024.

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BACKGROUND

1 BACKGROUND

Prior to the Retail Code Consolidation, electricity metering providers were either classified as Meter Operator Agents or Meter Operation Code of Practice (MOCoP) Meter Installers. At Retail Code Consolidation these organisations were merged into a new category, Metering Equipment Managers (MEM), which also included gas metering providers. Whilst both types of electricity metering providers can provide metering services, not all MEM obligations in the REC apply to both types of providers. At a high level, meter installers are not responsible for sending Market Messages and Enquiry Service updates.

The Code Manager, through Performance Assurance operational activities, has identified that the merger of the two types of metering entity means that:

- All organisations have the same Maintenance of Qualification obligations, even though the nature of how they interact with central systems is very different.
- Obligations within Schedule 14 - Metering Operations do not make it clear which organisations are expected to comply with them, and for which it is irrelevant.
- Guidance to new entrants is harder for users to follow, as the distinction between MEMs that do and do not provide Market Messages is more complex than if processes were split out.
- It is more complex targeting Parties with the relevant information as they are currently not separately identified, for example in the REC Party Register.
- Not distinguishing between these organisation types could have an impact on the Market-wide Half Hourly Settlement (MHHS) Programme.
- Several MEMs are not appropriately submitting performance data or are required to provide nil returns.

This Change Proposal seeks to clarify the obligations of each type of metering provider by reintroducing the distinction of the two roles within the MEM category.

2 PROBLEM STATEMENT

The REC currently groups all electricity metering providers within the MEM category. Previously, under the Master Registration Agreement (MRA) they were either classified as Meter Operator Agent or MOCOPA Meter Installers. Not all MEM obligations in the REC are intended to apply to both types of organisations. This can result in ambiguity on the obligations set out in the REC that need to be met by the different types of electricity MEM, not being able to target information to REC Parties appropriately and MEMs not being clear on their new entrant or Maintenance of Qualification obligations.

3 USER STORIES

REF.	USER STORIES
MARKET PARTICIPANT USER STORIES	
M1	As a MEM, I want to be clear on the obligations I need to meet, based on the type of metering activity I complete. I want to meet my obligations efficiently and effectively and without the need to seek additional input/advice from the Code Manager.
M2	As the Code Manager, I want to be able to differentiate between MEMs based on the type of activity they are responsible for and their interaction with central systems, so that I can engage appropriately. I need to be clear on the obligations that each MEM should be meeting and the performance reporting that should be provided.
M3	As the Metering Schemes Auditor, I need to be able to differentiate between MEMs based on the type of activity they are responsible for, to ensure that I carry out my audits against the correct obligations.

PROPOSAL

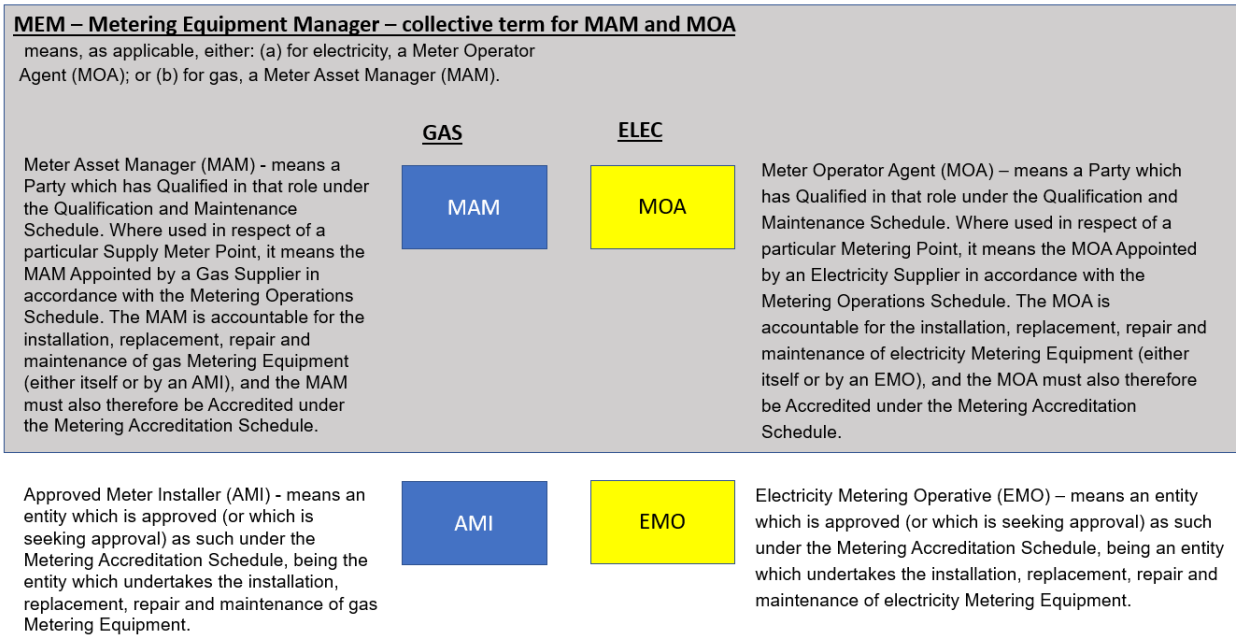
4 SUMMARY OF ANALYSIS UNDERTAKEN

A part of the Root Cause Analysis and Solution Development phases of this Change Proposal, the Code Manager has engaged with legal experts, industry experts and Subject Matter Experts. A thorough review of the relevant schedules was conducted, to understand the roles undertaken by Parties that currently operate in the Energy market in relation to Gas and Electricity Metering Equipment and the sending of Market Messages.

From that analysis the proposed solution has been developed to make clear for Parties, whether they are an Appointed Party, who is accountable for the work carried out to Metering Equipment and send the Market Messages and/or whether they are responsible for completing the field work on site.

As a result of this activity, the solution developed by industry experts does not introduce new obligations on these Parties.

5 PROPOSED SOLUTION



The Proposed Solution for R0064 will simplify the roles/responsibilities for Parties, and will clarify whether they are an Appointed Party, who is accountable for the work carried out to Metering Equipment and send the Market Messages and/or whether they are responsible for completing the field work on site.

Proposed legal text changes have been made to the following REC Schedules:

- Consolidated Metering Code of Practice (CoMCoP)
- Schedule 1 - Interpretations and Definitions
- Schedule 9 - Qualification and Maintenance – Section 11, Maintenance of Qualification still to be confirmed.
- Schedule 14 - Metering Operations
- Schedule 15 - Metering Accreditation
- REC Main Body
- Performance Assurance Reporting Catalogue (PARC)

Any updates required to Category 3 documents as a result of this solution are not captured in this Change Proposal and will be addressed in a subsequent Category 3 Change.

6 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0064 can be found here. However, there are still some changes to be drafted for the PARC along with some formatting issues to be rectified. These will be shared in the Consultation for review by stakeholders on the 07 December 2023.

7 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

7.1 SERVICE PROVIDER IMPACT ASSESSMENTS

A Service Provider Impact Assessment was issued by the Code Manager on 06 October 2023, inviting Service Providers to provide their responses by 03 November 2023.

Responses received from the Service Providers are summarised below.

REC CODE MANAGER	**Performance Assurance and Professional Services** • Supportive of the change and believe this helps reflect the terms used by parties in the industry enabling alignment with the Industry and Market Participants. • Sought clarity on whether Electricity Meter Operators (EMOs) and Accredited Meter Installers (AMIs) will continue to be REC Parties. • Noted no changes to their systems or processes, however REC documents that form a part of REC RPA services will need amendments.
METERING SCHEMES AUDITOR	• Did not identify any additional requirements at this time. • Highlighted that changes would be required to their systems/processes. • Provided a view of effort required and time required to implement. • Once audit formats and processes have been put in place and any required contract changes are completed it is not anticipated that there will be additional ongoing operational costs. • Highlighted internal training of electric auditors will be required and all other auditors will need to be briefed on any changes to other areas of classification. • Believe this change will bring benefit in that the new electric audit formats will be more focussed and consistent in line with third parties business activities. • Raised a dependency on the release of the approved revised CoMCoP text and the new classifications for electric accredited companies and expect that RECCo will provide both of these.

7.2 REC PARTY IMPACT ASSESSMENTS

A Party Impact Assessment was published by the Code Manager on 06 October 2023, inviting REC Parties to provide their responses by 03 November 2023. Seven responses were received from Parties, three from Suppliers, one DNO and three MEMs, one of which was confidential. Responses received from the Impact Assessment are contained in the consolidated impact assessment responses documents.

ENERGY SUPPLIERS	• Believe the solution seems sensible and meets the goal of defining the roles of metering arrangements. One respondent had some additional clarification requests which have been addressed in the Consolidated Impacts Assessment document. • No changes to systems and/or processes were identified however a suggestion of an internal review to ensure that each of the roles are aligned with each of the relevant obligations, was made. • A presumption of increased volume of assurance required, however the Code Manager believes that this would be a reduction as it will remove duplication for organisations that are operating all roles. • No tangible benefits highlighted however, stated the change would provide a clear, more logical, framework of definitions and by removing the ambiguity surrounding the roles, will be of benefit to the wider industry.
DISTRIBUTION NETWORK OPERATORS	• Understand the requirement to provide the clarity, however had some additional comments regarding the decision reached on whether a responsible party is a MEM, MOA or an EMO. The Code Manager has confirmed that an organisation can have multiple responsibilities and therefore can be a MOA and an EMO at the same time. It is for each organisation to know what they need. • No additional requirements were highlighted. • No changes to systems and/or processes were identified. • Comments were provided on the CoMCoP Legal Text drafting which have not been incorporated at this time.
METERING EQUIPMENT MANAGERS	• The majority of MEMs were supportive of this Change Proposal. One MEM raised some points for clarification, which have been discussed with them and addressed or agreed to progress as part of the end-to-end CoMCoP review. • No additional requirements were highlighted. • No immediate quantifiable or tangible benefits that can be identified from the implementation of this Change Proposal, support the purpose of the solution.

8 DELIVERY AGAINST CHANGE PROPOSAL PLAN

The Change Proposal Plan can be found here

9 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

9.1 RISKS AND ISSUES

No.	ISSUE	NOTES	HOW TO PROGRESS
R0064.CPP.I001	Changes to the PARC have been identified as part of the Service Provider Impact Assessment.	The Code Manager proposes to have this drafted ready to be consulted on.	Closed
R0064.CPP.I002	Changes will be needed to reflect drafting from R0043, into Schedule 14.	R0043 introduces a new section into Schedule 14. If R0043 is approved by Ofgem, then R0064 will need to reflect a new section as both changes are targeting June 24 implementation. This is not expected to be a material change.	Open

9.2 ASSUMPTIONS AND DEPENDENCIES

No.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
R0064.CPP.A001	There will be no changes to the data specification. The use of MEM will be maintained.	Following Solution Development, no changes to the data specification are being proposed. The use of MEM will be maintained.	Closed
R0064.CPP.A002	An Electricity Enquiry Service (EES) system change to reflect a change in EES User Categories and associated data access will not incur cost.	The MEM category remains unchanged. Any EMO and/or AMI needing access to the Enquiry Service would do so under the MEM contracting them to complete the onsite work.	Closed
R0064.CPP.A003	No new obligations will be introduced under this Change Proposal.	Following Solution Development, no new clauses have been	Open

		added to the COMCOP as part of this review however the role of a MOA and MAM have been clarified under this Change Proposal. This will be verified during Consultation.	

No.	DEPENDENCY	NOTES	STATUS
R0064.CPP.D001	The changes made under this Change Proposal will need to be taken into consideration by the REC drafting activity under the MHHS Programme.	Migration to the MHHS TOM and the date from which the new Settlement timetable will become effective are determined by the MHHS Programme Plan. MHHS Qualification and Maintenance requires clarity to ensure the plan and approach reflect R0064 approved changes. Dates are subject to change by the programme and can be found on the Planning pages of the MHHS programme website	Closed
R0064.CPP.D002	MHHS Qualification and Maintenance.		Open
R0064.CPP.D003	Implementation is required ahead of MHHS go live.		Closed
R0064.CPP.D004	The REC Party Register and Entry Application Form on the REC Portal will need to reflect this change.	The Code Manager Service Providers will make these changes when required in line with the implementation of this Change Proposal.	Open
R0064.CPP.D005	There are a number of consequential updates required to Category 3 documents which will need to be progressed by the responsible document owner	RPA have identified 16 documents which will require updating. As the responsible owners of these documents, they will need to progress this in line with the approved	Open

	alongside this Change Proposal.	implementation of R0064.	

10 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	28/06/2024	**PROPOSED IMPLEMENTATION APPROACH**	BIG BANG

11 BUSINESS CASE ASSESSMENT

11.1 COSTS

	TOTAL COSTS
SERVICE PROVIDERS	£12,000 - £15,000

11.2 BENEFITS

The Code Manager does not consider the benefits specifically delivered through R0064 to be quantifiable, but the change would bring about the following intangible benefits.

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
COMPLIANCE	Clarification on the obligations to allow Parties to achieve compliance.
IMPROVED UNDERSTANDING OF ROLES AND RESPONSIBILITIES	Removing ambiguity and providing the clarity on the roles and responsibilities for Parties that operate in the Energy market in relation to Gas and Electricity Metering Equipment and the sending of Market Messages under the REC making the distinction between AMI / EMO roles as well as the split between fuels.
MHHS BASELINE	MHHS require confidence on the terminology being used to define a MEM as this will help MHHS baselining of future legal text.

11.3 COST BENEFIT ANALYIS SUMMARY

Overall, the Code Manager's view is that although a full detailed cost benefit analysis cannot be completed due to the limited number of Impact Assessment responses, the intangible benefits of the change outweigh the costs for implementation.

12 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 appropriate and resolves the problem statement.
- There are no identified impacts or costs to the market in implementing the proposed solution.
- The proposed solution introduces clarity on the roles and responsibilities for Parties that operate in the Energy market in relation to Gas and Electricity Metering Equipment and the sending of Market Messages under the REC, making the distinction between AMI / EMO roles as well as the split between fuels.
- The impact of not implementing the Proposed Solution would mean that REC would not be representative of how Parties that currently operate in the energy market.

13 CODE MANAGER'S RECOMMENDATION

The Code Manager believes that this Change will ensure that the REC is an accurate reflection of the Market Standards and has the flexibility to account for differing business models operated within the market. This will be a positive result as this would ultimately reduce the time and effort incurred in bringing Derogations for PAB approval for example, PAB Derogations from MEMs obligations where an organisation does not perform all services that form a part of the MEM role as currently defined.

The Code Manager recommends that the REC Change Panel

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 28 June 2024.

14 CONSULTATION PLAN AND NEXT STEPS

The consultation on this Preliminary Change Report for R0064 will be published on the REC Portal on 07 December and closes on 05 January**.**

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.

15 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link

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16 GLOSSARY

TERM	DEFINITION
Accession Agreement	means an agreement by which a Party (other than the Original Parties) agrees to be bound by this Code, in the form set out in the Accession Agreement Schedule.
Electricity Enquiry Service (EES)	means the service described as such in the EES Service Definition.
Maintenance of Qualification	means the process of re-assessing a Market Participant's status as Qualified after a Material Change or as part of a change or removal of Controlled Market Entry Conditions, as further described in the Qualification and Maintenance Schedule.
Market Message	means a structured communication sent between two Market Participants in the form and with the content required (and as otherwise specified) by the Data Specification.
Market-wide Half Hourly Settlement (MHHS)	Market Wide Half-Hourly Settlement will utilise the ability of smart meters to record a customer's usage during each half hour period to move domestic and small non-domestic customers to half-hourly settlement. Medium and larger non-domestic consumers have been settled half-hourly since BSC modification P272.
MHHS Target Operating Model (TOM)	The Target Operating Model is the settlement arrangements designed by the Design Working Group (DWG), and further developed by the Code Change and Development Group (CCDG) and the Architecture Working Group (AWG) that will facilitate Market-wide Half Hourly Settlement.
Master Registration Agreement (MRA)	means the Master Registration Agreement referred to in the Electricity Supply Licences.
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.
Meter Operation Code of Practice (MOCoP)	means the Meter Operator Code of Practice, against which relevant MEMs are assessed pursuant to the Metering Accreditation Schedule.
Performance Assurance	means the activities undertaken by the Code Interpretations 57 Copyright 2022 Retail Energy Code Company Manager and the REC PAB in accordance with the Performance Assurance Schedule.
Retail Risk	means a risk that retail energy consumer outcomes and the effectiveness of the retail market are measurably and significantly degraded by a failure by a REC Service User or REC Service Provider to meet the objectives, standards and core processes under this Code.