RETAIL ENERGY CODE

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

# FINAL CHANGE REPORT

## R0073 – INTRODUCTION OF A HOUSEKEEPING CHANGE PROCESS

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| CHANGE REPORT | FINAL |
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| RESPONSIBLE COMMITTEE | CHANGE PANEL |
| PRIORITY STATUS | LOW |

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|---|---|
| CHANGE PATH | SELF GOVERNANCE |
| URGENCY | URGENT STANDARD |

| | |
|---|---|
| DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS | 27/01/2023 |


**LEAD CHANGE ANALYST**



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### CHANGE OVERVIEW

The Change Proposal looks to introduce a Housekeeping Change process into the REC, to enable a more efficient change process for the types of changes that are not material in nature and are suitable to be implemented more quickly. We will also look to make some housekeeping changes to Schedule 5 - Change Management - while introducing this new process.

| | |
|---|---|
| | High Impact:<br>N/A |
| | Medium Impact:<br>N/A |
| | Low Impact:<br>REC Parties and the Code Manager |

### RESPONSIBLE COMMITTEE

On the 07 March 2023, the Change Panel voted unanimously to approve R0073 for implementation on 01 April 2023.

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# BACKGROUND

## 1 SUMMARY

All changes to the REC currently follow a single change process irrespective of the type of impact on REC Parties or the Code Manager. Since the Code was designated, there have been a number of housekeeping modifications to the Code that have had a non-material impact on Parties, however, they follow the same change process as something more significant – such as those for the Central Switching Service.

Other industry codes have a separate housekeeping change process that allows any non-material changes to be progressed through an accelerated timetable, and with less demand being placed on Code Parties through engagement in the process. The Code Manager has reviewed the housekeeping change processes in other codes and believes there would be benefit in the introduction of an equivalent change process to the REC.

## 2 PROBLEM STATEMENT

Typographical errors, formatting, and consistency errors (such as Paragraph numbering), out-of-date references to documents and updating addresses (including email) all have to go through the standard change process. In these cases, the changes are not material and do not need a solution to be developed nor do they need to demonstrate that they meet a business case and could therefore, be progressed more quickly.

## 3 USER STORIES

| REF. | USER STORIES |
|---|---|
| **MARKET PARTICIPANT USER STORIES** | |
| M1 | As the Code Manager I want to be able to progress changes to the REC in the most efficient way possible. Where minor, non-material changes are needed to correct typographical or consistency errors, or to update out of date reference, I want a simpler and more accelerated change process to manage these housekeeping activities. |
| M2 | As a REC Party, I want the Code Manager to use a more efficient process for housekeeping changes, that reduces the burden of managing industry changes through the standard change process. |
| M3 | As RECCo I want the Code Manager to use the most efficient and simplest process to manage housekeeping changes in order to free up Code Manager resources to progress higher priority changes. |

# PROPOSAL

## 4 SUMMARY OF ANALYSIS UNDERTAKEN

A review of the change processes across the spectrum of energy industry codes was undertaken. Many of those industry codes already have a fast-track change process which allows for the quicker progression of minor housekeeping style changes. The processes in each code were reviewed to identify the key elements needed for an efficient and effective process. The Consent to Modify process used in the Uniform Network Code of Gas Transporters was also reviewed, however, this process, although an accelerated process, is not used for changes that are of a housekeeping nature.

## 5 PROPOSED SOLUTION

Housekeeping Changes are minor in nature and will include (but are not limited to) the correction of errors, inconsistencies or factual changes. As with the standard Change Process, any interested person will be able to raise a Housekeeping Change Proposal.

The Code Manager will determine whether to accept or reject the Housekeeping Change Proposal, based on whether it meets the Housekeeping Change definition.

Having agreed to accept the Housekeeping Change Proposal, the Code Manager will assess the Change and produce a Housekeeping Change Report for submission to the Change Panel (who will be the Responsible Sub-Committee for all Housekeeping Changes) for their decision.

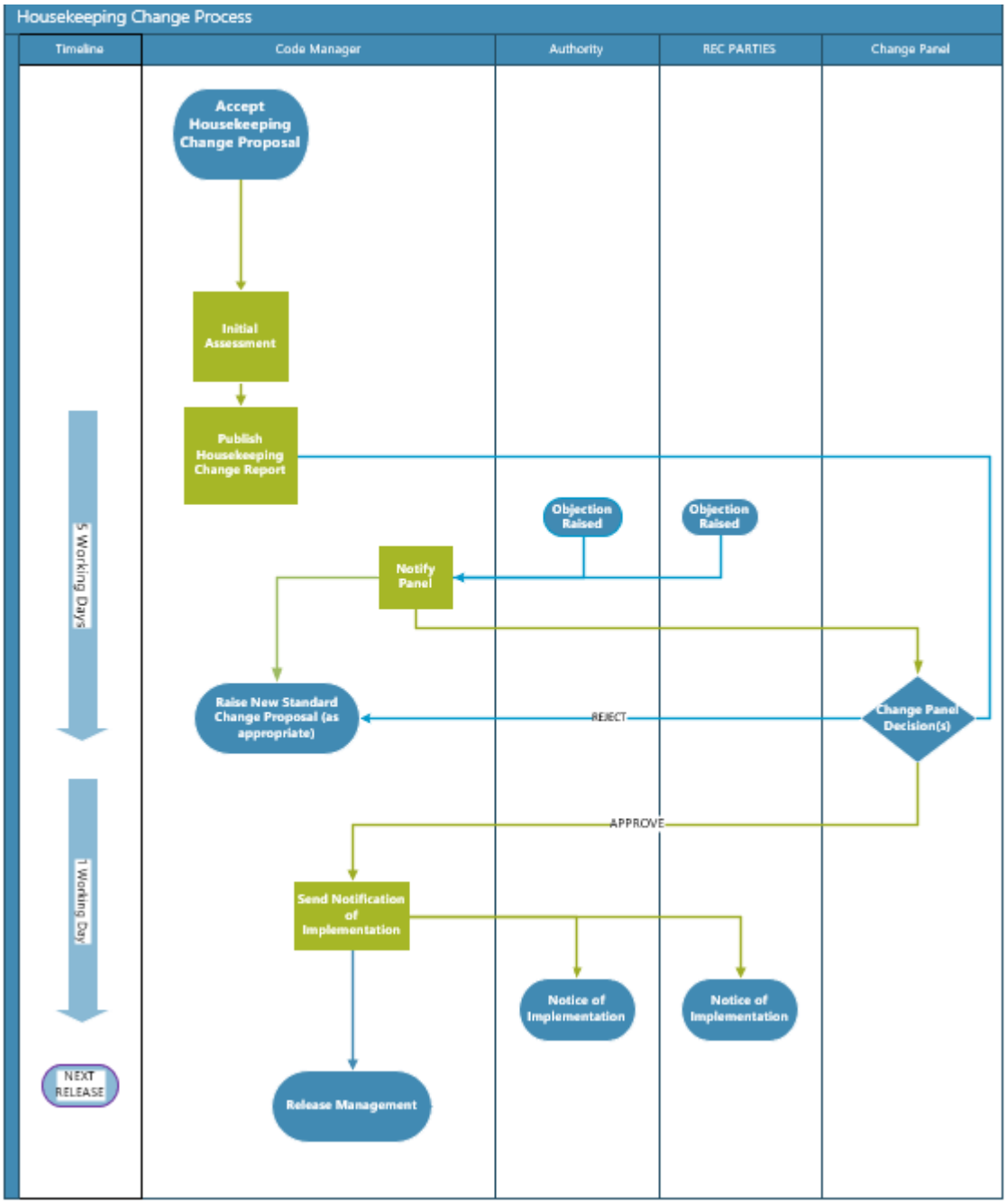
The Code Manager will publish the Housekeeping Change Report at least 5 Working Days before the Change Panel meeting. The publication will allow REC Parties, REC Service Providers and other interested persons to review the proposed Housekeeping Change Proposal in advance of the Change Panel's determination and if necessary, raise an objection to the change being made.

If there are grounds for the objection to be accepted, the Code Manager will terminate the progression of the Housekeeping Change Proposal and will re-classify the Housekeeping Change Proposal to be a Change Proposal subject to the standard change process.

The Change Panel will first be invited to decide whether to accept the Change Proposal as a Housekeeping Change Proposal, this will require the unanimous decision of the Change Panel. The Change Panel will then be invited to unanimously approve the change. The Code Manager will publish the Change Panel's decision within 1 Working Day and update the Housekeeping Change Report to a Final Change Report and record the decision. This will be sent to the Authority, REC Parties and published on the REC Portal.

Implementation of the Housekeeping Change Proposal will be at the next scheduled Release, unless another more suitable date is recommended by the Code Manager and agreed by the Change Panel.

A detailed flow diagram below sets out the process to be followed.




## 6 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0073 are in two documents, Schedule 1 – Interpretations and Definitions, and for Schedule 5 – Change Management, they can be found here.

There are a number of housekeeping changes to this schedule as well as a new section introducing the new change process for Housekeeping Change Proposals.

## 7 DELIVERY AGAINST CHANGE PROPOSAL PLAN

All activity has been completed within the planned timescales. The Change Proposal Plan can be found here

## 8 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

No risks, assumptions, issues, or dependencies were identified during the development or assessment of this change proposal.

## 9 PROPOSED IMPLEMENTATION DATE AND APPROACH

| PROPOSED IMPLEMENTATION DATE | 01/04/2023 |
|---|---|

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

We propose to implement this change proposal on 01 April 2023, which is the next available release following the Change Panel's decision.

## 10 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 27 January 2023 to obtain views on the Preliminary Change report. In total five non-confidential responses were received from: one Supplier, two Network Operators and two Service Providers. The responses have been consolidated and comments provided by the Code Manager. This can be found here.

The key themes from these responses have been summarised and set out below.

### 10.1 SUMMARY OF RESPONSES

#### 10.1.1 COMMENTS ON THE SOLUTION AND LEGAL TEXT

Responses on the question of support for the proposed solution were positive. There were two respondents who raised clarifying questions, and individual Code Manager responses have been provided to those respondents.

There was one response that presented two questions on the legal text, we are not proposing to amend the legal text and have responded directly to the respondent.

#### 10.1.2 BENEFITS RELATIVE TO IMPLEMENTATION AND OPERATIONAL COSTS

Only one respondent commented on whether the new process would enhance the efficiency of the process for participants. We have responded directly on that point to the respondent. We feel that removing a number of the reports from the Standard Change Process and creating a separate Housekeeping Change Report will reduce the burden on Stakeholders in terms of the number of documents they need to review and respond to. Instead of receiving four documents

as a minimum during the standard change process (the Initial Assessment Report (IAR), the Change Proposal Plan (CPP), the Preliminary Change Report (PCR) and Final Change Report (FCR)) and potentially responding twice (to the IAR and the PCR), we will be providing a single Housekeeping Change Report, and inviting parties to review and offer an opportunity for interested parties to respond only once. We see this as a benefit to Code Parties.

### 10.1.3 IMPLEMENTATION APPROACH AND DATE

All respondents supported the proposed implementation approach and timescales.

## 11 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

No amendments have been made to the proposal or legal text following consultation.

## 12 BUSINESS CASE ASSESSMENT

There are no costs for the Code Manager, Service Providers or Parties to implement this change.

Based on the experience of the Housekeeping Changes raised since the REC went live, it is reasonable to expect that there will be at least one Housekeeping Change Proposal per REC standard release. With a shorter and simpler change process, it will result in a more efficient use of both the Code Manager's resources - in reducing the number of documents produced and the workload of the Change Panel, REC Parties and other interested Parties in reviewing those documents. Currently Change Proposals require the preparation of an Initial Assessment Report, a Change Proposal Plan, a Preliminary Change Report and a Final Change Report. The Housekeeping Change process will require the preparation of a single Report document for the Panel to consider, which will be updated to record the Change Panel's decision.

| INTANGIBLE BENEFITS | BENEFITS DESCRIPTION |
|---|---|
| Time and Resource | A more efficient use of the Code Manager's resources for changes that are non-material and have little or no impact on code parties. |
| Time and Resource | A more efficient use of the REC Sub-Committee member's time in reducing the number of documents that need to be reviewed in advance of Sub-Committee meetings, and the number of occasions when Sub-Committees engage on a Housekeeping Change Proposal. |
| Time and Resource | A more efficient use of REC Parties' and other interested Parties' time in reducing the number of documents that need to be reviewed in advance of Sub-Committee meetings, and the number of occasions when REC Parties and interested parties need to engage on a Housekeeping Change Proposal. |

### 12.1 COST BENEFIT ANALYIS SUMMARY

There are no costs to implement the change, while the intangible benefits to both the Code Manager and the Responsible Sub Committee members are enduring.

## 13 CASE FOR CHANGE

### 13.1 SELF-GOVERNANCE

The proposed solution appropriately resolves the problem statement. There are no costs to implement the solution and the effort required to implement the proposed solution is minimal and results in an efficient approach to managing Housekeeping Change Proposals going forward.

No-one, be it Consumers, REC Parties, the Code Manager, or the Responsible Sub-Committee members will be detrimentally impacted by the introduction of this new change process, in fact there will be enduring intangible benefits that will make the change process more efficient.

Based on the above points, the Code Manager believes there is a positive business case for the change to be made.

## 14 CODE MANAGER'S RECOMMENDATION

Based on the assessment of costs and benefits, the Code Manager recommends that the Change Panel

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 01 April 2023.

## 15 RESPONSIBLE COMMITTEE DECISION

This report was presented at the Change Panel on 07 March 2023.

The Change Panel voted to:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 01 April 2023.

## 16 GLOSSARY

| TERM | DEFINITION |
|---|---|
| Codes | means the Industry Codes and Agreements that exist to govern interactions between the energy industry parties. Accession to those codes is a requirement of the relevant Licences granted by the Authority to Transporters, Distribution network Operators, Gas Shippers, Suppliers, and Meter Equipment Managers. |
| Authority | means the Gas and Electricity Markets Authority as established under section 1 of the Utilities Act 2000 |