RETAIL ENERGY CODE

NON-CONFIDENTIAL CONSOLIDATED CONSULTATION RESPONSES

C3-0165 RETAIL RISK REGISTER

On 10 July 2026 the Code Manager issued a consultation to industry to seek feedback on the Retail Risk Register 2026-27.

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

DOCUMENT VERSION	V1.0
RESPONSE TYPE	Non-confidential
DATE ISSUED	11 August 2026
RESPONSIBLE COMMITTEE	Performance Assurance Board
LEAD ANALYST	Kat Higby

DATE CONSULTATION ISSUED	10 July 2026
RESPONSE DEADLINE	24 July 2026

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.

Question 1:	**Do you agree that the proposed Retail Risk Register appropriately reflects the principal risks affecting delivery of the Retail Energy Code?**	
RESPONDENT DETAILS	RESPONSE	CODE MANAGER COMMENTS
E.ON Next (Supplier)	No, we do not believe it fully reflects the principal risks. While the proposed register provides a comprehensive view of 72 specific Level 2 risks, it fails to capture the overarching, strategic risk of the REC failing to adapt to structural, market-wide reforms. A glaring example of this is the misalignment between REC processes—specifically Schedule 30 (Resolution of Consumer-Facing Switching and Billing Issues)—and the Market-Wide Half Hourly Settlement (MHHS) programme. By refusing to adapt its 12-to-24-month dispute timelines to fit the new 4-month MHHS settlement window, RECCo is actively introducing commercial distortion. The failure of REC governance to keep pace with structural market reforms is a principal risk that is entirely missing from this register.	• **Misalignment of timelines** – We note your feedback and propose expanding the description of Level 0 Risk IV to: "The REC framework does not evolve effectively to support innovation, efficiency, and continuous improvement, resulting in *issues or misalignment within industry processes,* or missed opportunities to enhance consumer outcomes and market performance." We consider that this expanded risk description would more appropriately capture broader risks arising from misalignment associated with cross-code transformation programmes, such as MHHS. • **Specific timeline misalignment within REC Schedule 30** – With regard to the specific timeline misalignment identified within REC Schedule 30, we do not consider the inclusion of a specific risk on the RRR to be the most appropriate course of action. While REC Performance Assurance will continue to consider alignment with other Codes through Cross-Code Collaboration, we recommend that a REC Party raise this matter through the REC Change process, particularly given the potential financial impacts associated with the issue.

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.

National Grid Electricity Distribution (DNO)	Yes, we agree the proposed reflects the principal risks affecting delivery of the Retail Energy Code.	Support for the draft Register. No action required.
Brook Green Supply Ltd (Shipper/Supplier)	Yes, we feel the proposed risk register reflects the main risks for the delivery of the Retail Energy Code. The register consists of an extensive list of risk drivers, description, and impacted outcomes which will help the smooth transition from defining risks based on processes to risks based on outcomes. The 'risk register' tab (tab number 7) provides a high-level view of REC retail risks and actions being taken to address them. Additionally, this tab has clearly listed down the risks which remain unchanged from 2025/26 (Level 0) and links them to the Level 1 risks which are the newly defined and articulate high level risk outcomes within the Level 0 areas of risk. Furthermore, the Level 1 and 2 Retail Risks tab (tab number 8) provides a clear breakdown of every risk and expands each Level 1 risk into its constituent level 2 risks.	Support for the draft Register. No action required.
Question 2:	**Do you support RECCo's proposed transition from process-based risks towards outcome-based risks? If not, please explain why.**	
RESPONDENT DETAILS	RESPONSE	CODE MANAGER COMMENTS
E.ON Next (Supplier)	Yes, we strongly support this transition. Moving to an outcome-based framework provides a much clearer line of sight between REC obligations, Retail Risks, market outcomes, and targeted Performance Assurance activities. We also welcome the phased, evolutionary approach; maintaining the existing process-based risk drivers and thresholds during the 2026/27 transition ensures operational stability while the new Outcome Measurement Framework (OMF) is matured.	Support for the draft Register. No action required.
National Grid Electricity Distribution (DNO)	Yes. We support the proposed transition from process-based risks to outcome-based risks.	Support for the draft Register. No action required.
Brook Green Supply Ltd (Shipper/Supplier)	Yes, we support RECCO's proposed transition from process-based risks towards outcome-based risks. We look forward to further information on the newer Outcome Measurement Framework (OMF) to develop concrete views on what the transition would look like. But our initial view is that this transition will help	Support for the draft Register. No action required.

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.

	determine and prioritise risks based on how it would affect the consumers and the market as a whole. And this will further help determine mitigation strategies accordingly.	
Question 3:	**Are there any significant Retail Risks you believe have not been captured?**	
RESPONDENT DETAILS	RESPONSE	CODE MANAGER COMMENTS
E.ON Next (Supplier)	Yes, there are two significant unmitigated Retail Risks missing from this draft: Schedule 30 / MHHS Timeline Misalignment: As raised in our response to Q1, we insist that RECCo recognise the timeline misalignment between Schedule 30 and the MHHS 4-month settlement boundary as an active, unmitigated Retail Risk. Mandating that Suppliers correct consumer billing bilaterally while permanently locking them out of central settlement adjustments creates a severe, asymmetrical financial liability. This approach unfairly penalises compliant Suppliers for industry-wide exception delays. General SDEP Escalations: While Secure Data Exchange Platform (SDEP) escalations are monitored in isolated instances (e.g., Risk Driver 12.9), a lack of response to general SDEP escalations across all REC processes has a highly detrimental impact on consumers. We believe the failure to manage and respond to general SDEP escalations is significant enough that it should be explicitly identified as its own distinct Level 2 retail risk.	• **Schedule 30 / MHHS Timeline Misalignment –** As per our response to the feedback on Question 1. • **General SDEP Escalations -** We note your concerns around industry SDEP risks. The appropriate use of SDEP to resolve inter-party process issues is a key enabler of improved consumer and market outcomes. Because SDEP is used as an escalation/resolution solution for a variety of REC processes, we do not believe a distinct Level 2 Retail Risk is the most appropriate option. Instead, REC Performance Assurance will include focus on SDEP in the following PAOP items: 1.3 - Data and Metrics Reform; 3.5 - Monthly data review, response and PATs; 4.5 - Resolution of Customer Facing Switching and Billing Issues.
National Grid Electricity Distribution (DNO)	No. We have no additional Retail Risks to propose at this time.	Support for the draft Register. No action required.
Brook Green Supply Ltd (Shipper/Supplier)	Meter installers data updates: While the register consists of information regarding the work meter installers need to do, it does not provide information	Thank you for your feedback. We do not currently consider that these areas represent gaps requiring the

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.

	on what happens when they fail to provide timely and accurate data to the industry. · GES / EES portal risks: While updates in this area are currently being discussed, there are no clearly defined risks associated with these changes within the register. As updates to these systems are likely to create additional operational challenges, the potential risk impacts should be identified in the register. · AMR risks: The register identified risks related to smart meters but does not explicitly mention anything about AMR meters. Given that there are suppliers operating specifically within the Industrial and Commercial (I&C) market that continue to rely on AMRs, dedicated AMR risks should be included rather than assuming they are covered by smart metering risks.	creation of additional Retail Risks for the following reasons: • **Meter installer data updates**: Poor or untimely data provision by installers is considered a contributing factor to existing metering risks, rather than a distinct Retail Risk. • **GES/EES portal risks**: Potential impacts from changes to GES/EES are expected to sit within existing operational and service delivery risks. We have not identified a unique risk outcome that would warrant a separate GES/EES-specific risk. • **AMR risks**: The metering risks within the Register are intended to be technology-agnostic. We have not identified any AMR-specific risk outcomes that are not already captured by the existing metering risk set. We will, however, continue to review these areas and consider amendments where future SME analysis identifies a genuine gap in coverage.
Question 4:	**Do you agree with the proposed prioritisation of Retail Risks? If not, which risks would you reprioritise?**	
RESPONDENT DETAILS	RESPONSE	CODE MANAGER COMMENTS
E.ON Next (Supplier)	We agree with the general methodology of deriving impact ratings from prioritised consumer and market outcomes. However, based on the missing	As per our response on your comments on Question 1, given you have cited this as a current issue, we would

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.

	risks we identified in Q3, we would insist that the failure to align Schedule 30 with MHHS be immediately captured and prioritised as HIGH. Expecting Suppliers to absorb unrecoverable wholesale and volume costs because of REC governance delays directly contradicts REC Outcome 4.8 ("Unnecessary cost passed to REC Parties, Service Users and Customers"), which is appropriately classified as a High-priority outcome.	suggest parties explore raising this through the REC Change process to necessitate the appropriate level of impact assessment and solution development. The REC Performance Assurance teams will raise this issue with other Codes as part of the Cross Code Collaboration activity cited on the PAOP.
National Grid Electricity Distribution (DNO)	Yes. We agree with the proposed prioritisation of the Retail Risks.	Support for the draft Register. No action required.
Brook Green Supply Ltd (Shipper/Supplier)	For the risks currently identified, we believe the prioritisation is appropriate for the retail sector. As noted previously, we also look forward to seeing the new Outcomes Measurement Framework, as we believe it will provide greater transparency and a clearer understanding of how risks have been identified and prioritised based on consumer and market outcomes.	Support for the draft Register. No action required.
Question 5:	Do you have any additional comments on the draft Retail Risk Register?	
RESPONDENT DETAILS	RESPONSE	CODE MANAGER COMMENTS
E.ON Next (Supplier)	The improved traceability in this year's draft is a welcome enhancement, particularly the matrices that map which specific Level 2 risks drive particular outcomes and vice versa. We also support the alignment between the "High" rated risks in the register and the specific mitigating activities detailed in the PAOP 2026-27. Furthermore, we must strongly register our fundamental disagreement with RECCo's position to leave Schedule 30 (Resolution of Consumer-Facing Switching and Billing Issues) aligned to 12-to-24-month timelines while BSC Settlement compresses to 4 months under MHHS. Forcing Suppliers to absorb unrecoverable wholesale and volume costs caused by Erroneous Switches (ES) and read disputes resolved between Months 4 and 24 is entirely unacceptable. Mandating that Suppliers correct consumer billing bilaterally while permanently locking them out of central settlement	**Misalignment of timelines -** As per our response to the feedback on Question 1.

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.

	adjustments creates a severe, asymmetrical financial liability. This approach unfairly penalises compliant suppliers for industry-wide exception delays—a direct financial risk created by governance failing to keep pace with structural market reforms. MHHS is the largest, most critical transformation of the energy market since privatisation. Expecting suppliers to absorb the resulting financial leakage because REC governance refuses to adapt to this new reality demonstrates a failure to mitigate real-world market risks. This directly contradicts REC Outcome 4.8 ("Unnecessary cost passed to REC Parties, Service Users and Customers"). By choosing not to align Schedule 30 with the 4-month settlement window, RECCo is actively introducing commercial distortion and putting undue financial pressure on market participants. We insist that RECCo recognise this timeline misalignment as an active, unmitigated Retail Risk. We strongly urge RECCo to use PAOP Activity 4.5 ("Resolution of Customer Facing Switching and Billing Issues") to urgently drive a mandatory Code Change that compresses Schedule 30 disputes and ES SLAs to align with the 4-month settlement boundary. This action is critical to ensure Suppliers are not left holding the bill for market-wide settlement gaps.	
National Grid Electricity Distribution (DNO)	No additional comments.	Support for the draft Register. No action required.
Brook Green Supply Ltd (Shipper/Supplier)	N/A.	Support for the draft Register. No action required.

This email/document and its contents have been classified as 'Internal & Partners' by RECCo. This data should be handled in line with RECCo data handling requirements. If you have received this data in error, please advise the sender or author and delete the data.