RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	Final Recommendation

CHANGE REPORT

I0168 – CLARIFY AND STRENGTHEN CRS PROVIDERS REQUIREMENTS

DOCUMENT VERSION	V2.0
PROPOSED IMPLEMENTATION DATE	28/02/2025
IMPLEMENTATION APPROACH	BIG BANG

RESPONSIBLE COMMITTEE	CHANGE PANEL	CHANGE PATH	SELF-GOVERNANCE
PRIORITY STATUS	HIGH	URGENCY	STANDARD
IMPACTED STAKEHOLDERS	ALL REC PARTIES		

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OVERVIEW

The RECCo Major Switching Incident Review focused on the analysis and assessment of; Code compliance, performance, impacts and insights from lessons learned feedback from impacted Stakeholders. These assessments thematically articulated changes and improvements identified to assure industry market participants that clear and appropriate action is, and will be, taken to prevent, detect and mitigate the risks and impacts of another event, and prepare for the right response to any future incidents.

This Issue has been raised to address learnings from the P1 Switching Incident in July 2023 and implement recommendations from the RECCo Review Report within the Retail Energy Code.

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BACKGROUND

1 SUMMARY

On 06 July 2023, a Major Switching Incident (MSI) occurred with the CSS operated by the Switching Operator and CSS Service Provider, the DCC. It prevented the successful completion of that day's planned electricity and gas, supply switches and new registrations.

The CSS was stabilised post-incident and any new requests submitted after 09:00am on 06 July 2023 were subsequently processed successfully. Through the collective action of the Switching Operator and industry parties, the CSS sent the missing industry messages to give effect to the intended switches and new registrations during the period of the 2nd to the 8th of August 2023. Priority 1 (P1) Major Switching Incidents of this nature are required to be resolved within 4 hours; however, the DCC reported it took 1,605.6 hours in this instance.

This incident had significant impacts on multiple industry parties and end Consumers, demonstrating a clear need for improvement in the arrangements of managing Switching Services and responses to Major Incidents. The Retail Energy Code Company ((RECCo) with the assistance of its Code Manager) completed an end-to-end incident review; to identify the root cause, consider the efficiency and effectiveness of the incident management response, assess the improvements required, and identify appropriate actions for risk mitigation. The overarching objective was envisaged that by delivering the identified review recommendations, these actions should limit the possibility, or minimise the impact of, any future major switch incidents.

For further details, including the full list of review recommendations, please see the full RECCo Review Report, published on the RECCo website, including Summary and Detailed Appendix.

Within the RECCo Review Report, several of the recommendations were assigned to the REC Code Manager. Five of these recommendations were agreed to be addressed through I0168 and can be considered as the requirements for this issue. There were references T007 – root cause communication, IM013 – Switching Operator's end Consumer communication, IM015 – Switching Operator, Switching Incident impact assessment, IM017 – incident wide Switching impact assessment, and COM022 – refresh and testing of Switching Operator's incident related policies, processes and procedures.

During the solution development and industry engagement for this Issue, the Code Manager agreed to a further three recommendations which were to be addressed through I0168 and act as further requirements for the solution. These are IM018 – Switching Operator's responsibilities to ensure appropriate guidance and instruction to Ofgem and Code Administrators, IM019 – Switching Change Advisory Board (SCAB) roles and responsibilities, and T009 – Data captured as part of a Switch, or otherwise, to help prioritise in the event of an MSI.

For further details on each of these review recommendations and requirements for I0168, please see section 2.1 of this Change Report on the problem statement and requirements.

Utilising the Change Issues Group, the Code Manager has engaged with Market Participants, RECCo and the DCC on how to addresses these recommendations. During the Change Issues Group meeting on 06 June 2024, attendees expressed a desire to have an outcome that addressed the recommendations without major codification of the requirements. Instead they expressed support for an MSI Best Practice Document to be introduced, incorporating the requirements for the Switching Operator in each of the recommendation areas. Consequently, the Code Manager has begun to develop a solution around an MSI Best Practice Document that has been drafted with the support of RECCo, the Switching Operator and the Change Issues Group.

This Change Report contains the problem statement and requirements from each recommendation, details on Stakeholder engagement and the Proposal Plan. The Proposal Plan will set out the activities required to complete the proposed solution and the definition phase, details on further Stakeholder engagement and the Change Proposal process, and the voting dates for the final decision.

2 PROBLEM STATEMENT

On 6th July 2023, a Major Switching Incident occurred with the CSS operated by the Switching Operator and CSS Service Provider, the DCC. It prevented the successful completion of that day's planned electricity and gas, supply switches and new registrations.

Priority 1 (P1) Major Switching Incidents of this nature are required to be resolved within 4 hours; however, DCC reported it took 1,605.6 hours in this instance. This incident had significant impacts on multiple industry parties and end consumers, demonstrating a clear need for improvement in the arrangements managing switching services and response to major incidents.

2.1 RECOMMENDATIONS AND REQUIREMENTS

As noted in section 1 of this Change Report, I0168 proposes to address eight RECCo Review Report recommendations as part of this Issue, with each of the recommendations providing a set of requirements that the proposed solution should ensure in addition to the problem statement. These eight recommendations and their requirements are detailed below:

Root Cause Communication (Review Ref. T007)
That the DCC, in its role as Switching Operator, delivers clear, accurate and timely information on the incident root cause, as soon as possible, once it has obtained a reasonable understanding, both to offset the risks of uncertainty and limited information. The Switching Operator should ensure switching parties (like Energy Suppliers, Third Party Intermediaries (TPIs) and Networks) have the right information to enable meaningful engagement, assist their end-consumers, and ensure all impacted Market Participants can more proactively manage the incident impacts, including making appropriate plans in response to the incident and its resolution.

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Switching Operator's End-Consumer Communication (Review Ref. IM013)
Introduce a requirement for the DCC, in its role as the Switching Operator, to provide end-consumer appropriate information for REC Parties and Non-REC Parties use, to determine communication and action for their Consumers. This is deemed to be part of the Compliance and Technical Solution in response to the P1 Switching Incident with an aim to increase confidence in managing technical incidents.

Switching Operator, Switching Incident Impact Assessment (Review Ref. IM015)
The DCC has a responsibility to consider the cost and impact of an incident against industry, such as REC defined processes, systems, data and services, and should ensure its proposed solutions consider these impacts. A solution that seeks to purely solve the issue for REC Switching systems only, can have an unnecessary impact (resource, time, cost) across the wider Switching landscape. This change should clarify the existing Switching Operator's broader obligation to assess an incident impact on the wider Switching Arrangements (set out in REC Schedule 26, Switching Service Management Schedule, section 1.7, and section 2.9), to ensure the Switching Operator facilitates the most effective, efficient (in terms of time, cost, and resource) overall Switching industry solution.

Incident Wide Switching Impact Assessment outcome (Review Ref. IM017)
To clarify that if an MSI is not going to be resolved within defined Service Levels (four hours), the DCC in its role as Switching Operator should determine the impact on compliance with the REC end-to-end Switching Arrangements. The Switching Operator should subsequently work with Ofgem, the Code Administrators for BSC, UNC and DCUSA, and RECCo, to identify the cross-code impacts/impacts on other Codes when managing an incident and developing an appropriate solution for industry, with a focus on an option with the least negative impact to end-consumers.

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Refresh and testing of Switching Operator's incident related policies, processes, and procedures, to ensure they remain fit for purpose (Review Ref. COM022)

Clarity of requirements to ensure the Switching Operator periodically reviews, reissues, maintains, evaluates, and tests its:

- Switching Incident Management Policy, processes, and procedures: with the inclusion of defined roles & responsibilities (i.e., RACI, to assist rapid incident resolution), and a major switch response process, with a scheduled annual test.
- Switching Service Management Policies & Procedures
- Incident communications strategy: to include the channels to be used, and cadence of incident meetings (separate to the established Switching Operator forum).
- Procedure for the review and update of contact lists for CSS Users, Switching Data Service Providers (SDSP's) and other interested parties.
- Methodology and criteria to assess the priority of incident resolution hierarchy.

Switching Operator's responsibilities to ensure appropriate guidance and instruction to Ofgem and Code Administrators (Review Ref. IM018)

IM018 seeks to ensure that the Switching Operator is provided clear guidance on the responsibilities for ensuring appropriate guidance and instruction is given when working with Ofgem and the Code Administrators (BSC, UNC, DCUSA, and RECCo) when managing an incident and determining the impact on compliance of the respective organisations within the scope of the REC.

This recommendation is closely linked to IM017, that is already included in the I0168 Best Practice document drafting. To incorporate IM018, the Code Manager will look to extend the drafting around section 2.5 – Broader Industry Impact Assessment, that already acknowledges the need for the Switching Operator to collaborate with Ofgem, RECCo and Code Administrators.

The Switching Operator has also asked for further clarification on who, and how, to engage with other Codes and organisations following an MSI. The Code Manage believes this further clarification can be provided by incorporating IM018 into the solution for I0168.

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Switching Change Advisory Board (SCAB) Roles and Responsibilities (Review Ref. IM019)

IM019 seeks to ensure the appropriate terms of reference and membership of the Switching Change Advisory Board (SCAB/ Switching CAB), so that the Board can be convened to make decisions on similar incidents, should they occur in the future. Under IM019, consideration is needed around the SAB role when agreeing the right resolution, with change impacts to multiple SDSPs and market participants. Consideration will also be given to how an emergency SCAB may be convened as part of any incident plan updates, and how SCAB outputs should be communicated via REC communication channels to market participants.

The Code Manager recommends that IM019 is incorporated into the document to help provide transparency and clarity for the Switching Operator and REC Switching stakeholders around the role of the SCAB for prolonged MSIs when considering/determining the proposed resolution activity.

Data captured as part of a Switch, or otherwise, to help prioritise in the event of an MSI (Switching Operator's potential to identify and prioritise certain customer groups) (Review Ref. T009)

T009 seeks to review, and assess, the data captured as part of a Switch, or otherwise, to help prioritise in the event of an MSI. This recommendation has been considered in conjunction with IM20 that states that the Switching Operator should consider the potential to identify and prioritise certain customer groups impacted by an MSI.

Previous RECCo analysis concluded that there are no appropriate data points that would, by themselves, assist in developing a prioritisation of one group of impacted switches over another (either by consumer segment, or volume of energy), without potentially causing inappropriate detriment to another group. In summary;

1. Each Switch/New Registration is sacrosanct and should be processed; delaying a particular switch/registration over another is inappropriate.
2. There is limited information (data) contained in a switch message which the Switching Operator/CSS Provider could use to propose prioritisation of one Switch about another when developing an incident resolution plan and approach. Whilst the Domestic Premises Indicator (DPI) might indicate the market, and the Market Participant Identifier (MPID) might indicate an intracompany switch, what neither do is tell the underlying story behind the switch, or their relative importance to each other.

Should an MSI occur in the future, RECCo recommends the Switching Operator engages with impacted switch parties (i.e., Energy Suppliers, SDSPs) to identify;

- Impacts
- Priorities – i.e., individual switches that they believe require prioritised processing, and the rationale why.

Through this stakeholder engagement, the Switching Operator can consider what the prioritisation it proposes to apply to the proposed resolution.

3 IMPACTS

CONSUMERS	REC SERVICE PROVIDERS
All Consumers	Central Switching Service
	Switching Operator

REC PARTIES AND SERVICE USERS	SWITCHING DATA SERVICE PROVIDERS	REC DOCUMENTS & PRODUCTS
Distribution Network Operators (DNOs)	Electricity Registration Data Services (ERDS)	Schedule 26 – Switching Service Management
Energy Suppliers	Electricity Enquiry Service (EES)	Central Switching Service Definition
Gas Transporters	Gas Registration Data Service (GRDS)	Switching Operator Service Definition
Third Party Intermediaries (TPIs)	Gas Enquiry Service (GES)	

MHHS DESIGN
No impact on MHHS Design.

MHHS DATA SPECIFICATION
No Data Specification.

MHHS CODE DRAFTING
No impact on MHHS Code Drafting.

An MSI has the potential to impact all aspects of the Retail Energy Market. Addressing the issues detailed in section 2.1 will support limit the risk of a Major Switch Incident impacting:

- Ability to switch on time, effectively stuck until switch processed
- Poor switching experience
- Billing errors – disputed reads
- Erroneous Switch – not being spotted and resolved on time
- Limited Non-Domestic product offerings

4 CROSS-CODE IMPACTS

Whilst the REC Code Manager does not expect this issue to develop into a cross-code Change, there is an expectation that there will be indirect impacts on other Code Administrators within the solution. Further, the REC Code Manager will maintain consistent engagement with other Code Administrators throughout the solution development and Change Proposal process and ensure there are appropriate opportunities for cross-code engagement.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**06 Jun-24**	**31 Oct-24**
	Solution Development	June	October
	Request for Party Feedback	**Completed**	**Completed**
	Legal Review	October	October
Change Proposal		**01 Nov-24**	**24 Jan-25**
	Business Case Assessment	November	November
	Consultation	November	December
	Solution Refinement	December	January
	Final Determination	January	January
Voting		**04 Feb-25**	**11 Feb-25**
	Appeal Window	February	February

Under this Proposal Plan, the Solution Development for this Issue will be completed by 31 October 2024, with a Business Case Assessment and Consultation occurring between November and December 2024. Voting on the Change Proposal by the REC Change Panel will take place in February 2025. The Code Manager will provide an update via the REC Portal with the confirmed date once the REC Change Panel meeting schedule for 2025 has been agreed.

The Proposal Plan targets a February 2025 implementation, as part of the standard REC Release on 28 February 2025. However, due to the unpredictability of MSIs, the Code Manager may, where possible, seek to progress each stage of the Change Proposal process, and implement a solution, at an earlier opportunity to reduce the risks and impacts of any future MSI.

A Party impact assessment has not been included in the Proposal Plan. At the Change Issues Group meeting on 05 September 2024, Market Participants were asked about the inclusion of an impact assessment. Market Participants decided than an impact assessment would not be necessary because the Code Manager has also offered sufficient levels of continued Stakeholder Engagement. This approach would also quicken the change process and the solution implementation, which may help reduce the risks of any future MSI.

6 STAKEHOLDER ENGAGEMENT

I0168 was raised following the RECCo P1 Switching Incident Review Report. The review report was an end-to-end incident report produced by RECCo with the assistance of the REC Code Manager. To help progress with I0168, the Code Manager has utilised the Change Issues Group to support with solution development and to allow Stakeholder engagement.

At the Change Issues Group meeting on 06 June 2024, the Code Manager presented attendees with the initial five recommendation areas (as detailed in section 1 and 2.1 of this Change

Report) to function as first requirements for this Issue. These were agreed upon by the group to be taken forward as part of I0168's solution development.

The desired outcomes, and the requirements for the REC, for each of these recommendations were set out and agreed upon by the group. The group expressed a desire to have less codification of the requirements and instead expressed support for a Major Switching Incident (MSI) Best Practice Document to be introduced, incorporating the requirements for the Switching Operator in each of the recommendation areas.

A straw-man proposal of the MSI Best Practice Document was presented to the Change Issues Group at the meeting on 04 July 2024, and attendees were provided with the opportunity to discuss the initial drafting. Feedback was provided and the Code Manager agreed to make amendments to the document, including changes to the title of the sections and recommendations, before publishing this for a wider Party/Stakeholder review and opportunity for feedback that took place between 02 August 2024 and 16 August 2024.

Following further engagement with RECCo, the Code Manager proposes to incorporate three further recommendations (IM018, IM019 an T009) into the solution for I0168. The Change Issues Group was once again invited to discuss the inclusion and requirements of these additional proposed recommendations at the Change Issues Group meeting on 05 September 2024, where Stakeholders agreed for these to be included. The Proposal Plan was discussed, and Stakeholders agreed with the Code Manager's proposed plan, activities, and timescales for I0168.

The Code Manager will provide further opportunities for Stakeholder engagement by providing further updates and opportunities for discussion through the Change Issues Group, and via an industry consultation once the solution has been fully developed.

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Direct	2	27	53
	Retail Markets Impact	Retail Risk(s)	2	17	33
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	2	7	13
		Legal and Regulatory Compliance	1	14	14
Resource	Complexity / Effort / Duration		2	9	18
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		3	17	25
	Contribution to/ Alignment with RECCo's Forward Work Plan		1		8
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity	0	10	0
				Overall Priority Score (rounded)	166

Priority Status	HIGH
Change Proposal Type	STANDARD

The priority status of this Issue is "High" based on a weighted prioritisation score of 166. This reflects the direct impact that an MSI may have on Consumers, the urgency required to ensure that any risks or impacts from a future MSI are addressed, and to ensure that an MSI does not have negative implications for the objective of the REC.

8 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

No risks, assumptions, issues or dependencies have been identified at this stage.

9 APPENDIX

ISSUE / CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
ANY OTHER DOCUMENTS / LINKS	RECCo Review Report Summary and Detailed Appendix.

10 GLOSSARY

TERM	DEFINITION
Central Switching Service	means the Systems and processes provided or procured by the CSS Provider for the purpose of providing the Address Management Service and the Registration Service.
Code Manager	means the person described in Clause 7 of the main body of this Code.
CSS Service Provider	means the DCC when performing functions under or in relation to this Code (but always excluding its functions under the Smart Energy Code and its roles as CSS Systems Integrator, SI Provider and Switching Operator), including in respect of the Central Switching Service and including in effecting the design, build and testing of any System that will allow it to perform functions under this Code after the CSS Go-Live Date. This role is the CSS Procurer and Manager function as described in the E2E Data Migration Plan, E2E Integration Plan, E2E Post Implementation Plan, E2E Testing Plan, E2E Transition Plan: Implementation Approach and E2E Transition Plan: In-Flight Switches Approach.
Domestic Premise Indicator (DPI)	means the indicator used to identify a Domestic Premises.
Electricity Enquiry Service (EES)	means the service described as such in the EES Service Definition.
Electricity Registration Data Services (ERDS)	means the electricity registration services provided under this Code to support the provision of electricity retail data to the CSS and other services.
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.

Erroneous Switch	means where a Consumer has been switched to an Energy Supplier which does not have an Energy Contract in place, as further described in the Resolution of Consumer-Facing Switching and Billing Problems Schedule.
Gas Enquiry Service (GES)	means: (a) until CSS Go-Live Date, the enquiry service provided pursuant to the UNC which allows authorised users to access Gas Retail Data; and (b) from CSS Go-Live Date, the service of that name procured by RECCo pursuant to the Data Access Schedule.
Gas Registration Data Service (GRDS)	means the gas registration services provided under this Code to support the provision of gas retail data to the CSS and other services
Issue	means an issue affecting this Code that may become a Change Proposal in accordance with the Change Management Schedule.
Major Switching Incident (MSI)	means a high impact Switching Incident which results in significant disruption to the Switching Arrangements.
Market Participant	means a participant in either or both of the gas and electricity markets of Great Britain, each of which is identified by a Market Participant Role.
Market Participant Identifier (MPID)	means the unique identifier by which a Market Participant is identified.
RECCo	means the company established under Clause 5 of the main body of this Code.
Retail Energy Code (REC)	means this Code, including its Schedules and the Technical Specification, maintained pursuant to the electricity supply licences granted under the Electricity Act 1989 and the gas supply licences granted under the Gas Act 1986, as such code is modified from time to time in accordance with its provisions.
Data Communication Company (DCC)	means the person holding the DCC Licence.
Switching Change Advisory Board (SCAB)	means the group responsible for the review and approval of Operational Switching Service Changes. This is separate from the code bodies that would approve changes to Energy Codes.
Switching Data Service Providers (SDSP)	means the CSS Provider, the SMDSP (in respect of the services provided under the Smart Energy Code), the Enduring Change of Supplier Service Provider (in respect of the services provided under the Smart Energy Code), the Gas Retail Data Agent, the Electricity Retail Data Agents, and the Enquiry Service Providers.

Switching Incident	means an issue that arises with a System or process forming part of the Switching Arrangements that has been working but is no longer working or is not working correctly.
Switching Operator	means the DCC in performing the role of managing the co-ordination of the CSS Provider and the other Switching Data Service Providers, including the mechanisms for Users to report incidents and access service management support, from the CSS Go-Live Date
Third Party Intermediaries (TPIs)	means a broker or introducer acting between Consumers and Energy Suppliers, including Price Comparison Websites.