RETAIL ENERGY CODE

SOLUTION DEVELOPMENT REPORT

I0194 – CSS CHANGE TO ALLOW PREVENT OF REGISTRATION BY MARKET SEGMENT

CHANGE PROPOSAL PAGE	Link to CP Page
LEAD ANALYST (RPS)	Harriet Truss
TECHNICAL LEAD (RTS)	Maxime Van Eyseren
ASSURANCE LEAD (RPA)	Vaishnavi Sharma
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1 SUMMARY

This change seeks to introduce a method to prevent Energy Suppliers operating outside their Market Segment based on the Qualifications or exemptions that the supplier has undertaken. This would ensure that these suppliers comply with the terms of their Qualification status.

A solution was initially explored within the Central Switching Service (CSS) to address this Issue but due to the complexity of the solution, a reporting-based solution is now being pursued. This solution will aim to leverage existing market data to monitor compliance of suppliers effectively.

2 PROBLEM STATEMENT

Suppliers who do not operate, or intend to operate, in the Smart or Unmetered Market Segments, will be seeking exemptions from the relevant MHHS Qualification requirements. At present, there is no mechanism in CSS to prevent suppliers from registering Metering Points for which an exemption has been granted and for which they are therefore not Qualified.

3 BACKGROUND

This change was presented at two Technical Change Workshops (TCWs) on 8 October 2024 and 19 November 2024. The 5 Working Day impact assessment (IA) for a technical solution in CSS was completed on 5 November 2024, and the Preliminary impact assessment (PIA) was finalised on 14 March 2025, following extensive solution development by the Code Manager.

The CSS Provider assessed a technical solution to introduce a mechanism into CSS to prevent suppliers from registering Metering Points in Market Segments for which they have successfully obtained an exemption. To implement this solution, CSS would require both Market Segment data and a list of supplier exemptions to validate or reject Switching attempts.

The solution comprised four parts:

1. Provision of exemption data to CSS from Elexon via the Switching Operation Data (SOD) updates

2. Provision of Market Segment data to CSS from Meter Point Registration Service (MPRS)
3. Validation of Switch Requests
4. Reporting requirements

For Part 2, there were two solution options:

- **Option 1:** CSS becomes a Data Integration Platform (DIP)User to receive Market Segment data.
- **Option 2:** CSS receives Market Segment data via the existing Electricity Retail Data Service (ERDS)-CSS interface.

The PIA response highlighted that Option 1 would require approximately 71 weeks to complete, while Option 2 would require approximately 75 weeks. Additionally, both options would cost more than £1 million making the cost-to-benefit ratio disproportionate for a backstop control. Given the nature of the CSS solution, the Technical Design Authority (TDA) has concluded that the business case for a technical solution is not viable.

As a result, the Technical Design Authority does not recommend that the CSS technical solution is progressed further.

4 PROPOSED SOLUTION

The Code Manager is now proposing a solution which will provide REC Performance Assurance operations with the tools to monitor and identify any Registrations which have been attempted by un-Qualified suppliers.

It should be noted that this approach could lead to meters temporarily being incorrectly supplied by an un-Qualified supplier. The Code Manager will detect instances of inappropriate Registrations rather than a preventative control that would not allow such Registrations to be made. The effectiveness of the detective control is dependent upon the diligence and speed of corrective actions undertaken by suppliers. The responsibility to ensure they operate sufficient controls to prevent such cases is with the supplier.

The proposed steps of this solution are identified below:

1. Exemption Status Verification

Exemption data will be available to the Code Manager through the REC derogation. Elexon will hold the data to determine if a supplier has received an exemption under the BSC P476.

2. Market Segment Data

The EES Provider will supply data on the Market Segment by MPAN, by supplier, categorising sites as Unmetered Supply (UMS), Advanced (A), or Smart (S).

This will be provided to the Code Manager via monthly extract within the ECC232 report that is currently sent to the Code Manager by the EES Provider.

3. REC Performance Assurance Monitoring

The Code Manager will cross-check the information in both reports to identify any Registration in breach of Qualification conditions.

If a supplier with an exemption is found operating outside their approved Market Segment, they will be flagged and notified to take corrective action to ensure compliance with regulatory requirements.

The Code Manager will seek to apply existing Performance Assurance Techniques (PATs) and request the Party to take action to ensure Registration with a Qualified supplier. Additional monitoring of Erroneous Transfers will be considered to identify any misuse of that process and ensure Qualification in the Market Segment. If the severity or a breach is significant enough, there is an option for additional escalations by the REC Performance Assurance Board (PAB).

The Code Manager will notify the BSC PAB of identified breaches via existing channels.