RETAIL ENERGY CODE

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01	Proposal Plan
02	**Impact Assessment**
03	Consultation
04	Final Recommendation

CHANGE REPORT

I0252 – INCREASING FREQUENCY OF ANNUAL PORTFOLIO RECONCILIATION EXERCISE TO SUPPORT DATA CLEANSE

DOCUMENT VERSION	1.0
PROPOSED IMPLEMENTATION DATE	TBD
IMPLEMENTATION APPROACH	TBD

RESPONSIBLE COMMITTEE	Metering Expert Panel	**CHANGE PATH**	Self-Governance
PRIORITY STATUS	Low	**URGENCY**	Standard
IMPACTED STAKEHOLDERS	Meter Asset Managers, CDSP, REC Performance Assurance		

LEAD ANALYST (SOLUTION LEAD)	ASSURANCE LEAD	TECHNICAL LEAD	SUBJECT MATTER EXPERT
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OVERVIEW

This Issue seeks to explore making changes to both the frequency and turnaround time of the Gas Annual Portfolio Reconciliation exercise conducted by the Central Data Service Provider (CDSP) using data provided by Metering Asset Managers (MAMs).

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BACKGROUND

1 SUMMARY

Every year in April, Metering Asset Managers (MAMs) are required by REC Schedule 14 – Metering Operations to submit selected Data Items for each Metering Asset in their portfolio to the Central Data Service Provider (CDSP) for the purposes of a reconciliation. The CDSP compares the Data Items submitted by the MAM to their own copies of these Data Items for any given Metering Asset, and in this way, discrepancies are identified. These discrepancies are then reported to the REC Performance Assurance team, who work with MAMs to resolve them.

The Proposer has identified two issues with this process. Firstly, the reconciliation exercise is not frequent enough, taking place only once a year. They have asked the Code Manager to explore the possibility of increasing the frequency to twice yearly. Secondly, the turnaround time of the reconciliation data by the CDSP currently takes several months – MAMs historically have received the reconciled data set between August and October. The Proposer has asked the Code Manager to explore reducing this turnaround time.

2 PROBLEM STATEMENT

The annual portfolio reconciliation exercise conducted by the CDSP on MAM-held Data Items is neither frequent enough nor is it expeditious enough, according to the Proposer. MAMs are being asked to reconcile Data Items several months after they were initially provided, which may impact the efficacy of the exercise if these Data Items have changes since they were initially submitted.

3 IMPACTS

CONSUMERS
N/A

REC SERVICE PROVIDERS
CDSP

REC DOCUMENTS / PRODUCTS
Schedule 14 – Metering Operations
CDSP Further Services Service Definition

REC PARTIES AND SERVICE USERS
Meter Asset Managers (MAMs)

RECCO / REC CODE MANAGER
REC Performance Assurance

MHHS
N/A

No Consumer impact has been identified.

MAMs will be impacted by this Issue as they will be expected to submit data to the CDSP on a more frequent basis, and the overarching requirements relating to their data submission practices may be subject to change.

The CDSP will be impacted as they will be expected to perform the reconciliation exercise on a more frequent basis.

REC Performance Assurance functions will be impacted as they will be conducting the post-reconciliation work with MAMs to resolve discrepancies in submitted Data Items on a more frequent basis.

4 CROSS-CODE IMPACTS

No Cross-Code impacts have been identified.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**13 May 25**	**07 Apr 26**
	Solution Analysis	May	December
	Solution Development	December	January
	Legal Drafting	January	February
	Impact Assessment	February	March
Change Proposal		**08 Apr 26**	**12 May 26**
	Business Case Assessment	April	April
	Consultation	April	May
	Solution Refinement	May	May
	Final Determination	May	May
Voting		**13 May 26**	**13 May 26**
	Appeal Window	May	May

6 STAKEHOLDER ENGAGEMENT

The Code Manager will engage with affected industry stakeholders as required. The Code Manager will raise this Issue at the REC Change Issues Group in November in order to discuss the proposed solution with affected industry stakeholders.

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	0	27	0
	Retail Markets Impact	Innovation and Market Arrangements	0	17	0
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	1	7	7
		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		1	17	8
	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	1	10	10
				Overall Priority Score (rounded)	66

Priority Status	LOW
Change Proposal Type	STANDARD

This Issue has been given a priority status of Low, based on a score of 66. This score has been calculated as follows:

- Complexity/Effort/Duration has been given a score of two, indicating moderate complexity. This is reflective of the challenges associated with co-ordinating changes to MAM data submission practices across the industry.

All other metrics have been given a score of zero or one, as appropriate.

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SOLUTION

8 SUMMARY OF ANALYSIS UNDERTAKEN

The Code Manager engaged with REC Performance Assurance, CDSP, and Operational Account Managers in order to determine how best to resolve the problem statement. During the course of these discussions, the scope of problem broadened. Initially, the Code Manager only sought increase the frequency of the Reconciliation, from annual to biannual. However, following further analysis with REC Performance Assurance, the need to reduce the turnaround time of the Reconciliation (i.e., the length of time from MAM submission to the CDSP to the CDSP passing the reconciled data set to REC Performance Assurance) also became apparent.

The Code Manager worked with both the CDSP and internally with its Performance Assurance function to understand the existing operational requirements underpinning the Reconciliation arrangements. The Code Manager determined based on these conversations that the reduced timescales for the Reconciliation are viable for both the CDSP and for REC Performance Assurance (although the CDSP will still be subject to an impact assessment to formalise this determination).

During the course of solution analysis, the Code Manager determined that a significant factor in the current long turnaround time of the Reconciliation is because, anecdotally, some MAM Parties do not fully comply with their existing obligations to submit their data to the CDSP within 15 Working Days (WDs). As a result, the CDSP have an incomplete market-wide data set, and their ability to conduct the Reconciliation is hampered as a result. Time is then spent engaging with MAMs to encourage them to submit data, rather than conducting the Reconciliation itself.

The Code Manager has therefore assessed that a more robust Performance Assurance approach in respect of the 15WD deadline for MAMs to submit their Data Items to the CDSP is required. The Code Manager has confirmed that no changes to the REC would be required to facilitate the more robust approach needed to underpin the proposed solution. The Code Manager engaged internally with the Performance Assurance function and ascertained that the proposed solution is consistent with the scope of the existing framework of Assurance obligations, i.e., no changes to the Performance Assurance Report Catalogue, or existing Risk Registers, are required.

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9 PROPOSED SOLUTION

The Code Manager is proposing changes to both REC Schedule 14 – Metering Operations and the Central Data Service Provider Further Services Service Definition to achieve the following aims:

- Increase the frequency of the Reconciliation by introducing an additional occurrence in October of each year. This would result in two Reconciliations a year, six months apart, one in April and one in October.
    - To facilitate this, the Code Manager has proposed drafting to change references from Annual to Biannual.
    - It is therefore proposed that the Gas Annual Portfolio Reconciliation will be instead referred to as the Gas Biannual Portfolio Reconciliation.
        - Consequential changes to the Data Specification to update the naming convention will also be delivered.
- Reduce the time it takes from MAMs first submitting their data to the CDSP to the CDSP finishing the Reconciliation and handing over the completed data set to REC Performance Assurance.
    - To do this, the Code Manager is proposing reducing the Reconciliation overall completion time from 75WDs to 40WDs, where:
        - MAMs have 15WDs to submit their data sets to the CDSP
            - This is not changing – MAMs currently have 15WDs in the live version of Schedule 14, and this is not proposed to change as part of the I0252 solution.
            - However, the Code Manager proposes that this obligation will be enforced more robustly by REC Performance Assurance in order to limit occurrences where MAMs fail to submit their Data Item sets to the CDSP within this timeframe.
        - The CDSP have 25WDs to complete the Reconciliation and return the results to the REC Code Manager.

9.1 DESCOPED SOLUTIONS

The Code Manager had considered a novel solution whereby both the CDSP and MAM Parties would submit their respective data sets directly to the REC Code Manager, who would conduct the Reconciliation in their stead. This would have made use of the re-procurement of the REC Portal, and explored hosting the required logic underpinning the Reconciliation inside a new feature of the REC Portal.

However, this solution option was discounted following a conversation with RECCo where it was deemed that the relatively complexity of this novel approach was likely to outweigh any perceived benefits relative to the current Proposed Solution.

10 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to I0252 can be found here.

11 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link

12 GLOSSARY

TERM	DEFINITION
Central Data Service Provider	means the 'Central Data Service Provider' appointed by Gas Transporters pursuant to standard special condition A15 (Central Data Service Provider) of the Gas Transporter Licences.
Data Item	means the most granular level of data defining a specific attribute in respect of a data type, the permissible values for which are defined and controlled in the Data Item Catalogue.
Meter Asset Manager	means a Party which has Qualified in that role under the Qualification and Maintenance Schedule. Where used in respect of a particular Supply Meter Point, it means the MAM Appointed by a Gas Supplier in accordance with the Metering Operations Schedule. The MAM is accountable for the installation, replacement, repair and maintenance of gas Metering Equipment (either itself or by an AMI), and the MAM must also therefore be Accredited under the Metering Accreditation Schedule.
Performance Assurance	means the activities undertaken by the Code Manager and the REC PAB in accordance with the Performance Assurance Schedule.