RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	Final Recommendation

CHANGE REPORT

I0331 REGULATORY ALLIANCE CREATION REJECTIONS

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	TBD
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	CHANGE PATH	Self-Governance
PRIORITISATION CATEGORY	Standard	URGENCY	Standard
IMPACTED STAKEHOLDERS	Energy Suppliers, DNOs, GTs, GRDAs, ERDAs		

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

An incident where Network Parties did not submit Regulatory Alliances on time to the Central Switching Service (CSS) Provider, or did submit the Regulatory Alliances but did not action rejections from the CSS Provider in a timely manner, led to over 200 Consumers being delayed in Switching to their chosen Energy Supplier. This Change Proposal has been raised to review this process.

RESPONSIBLE COMMITTEE DECISION

On **18 August 2026,** the REC Change Panel voted in line with the Code Manager recommendation to:

- **APPROVE** the Proposal Plan, including the Responsible Sub-Committee, Change Path, Priority Status, Urgency and timetable.

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BACKGROUND

1 SUMMARY

An incident where Network Parties did not submit Regulatory Alliances on time to the Central Switching Service (CSS) Provider, or did submit the Regulatory Alliances but did not action rejections from the CSS Provider in a timely manner, led to over 200 Consumers being delayed in Switching to their chosen Energy Supplier.

This Issue looks to review the section of the process of creating Regulatory Alliances that sits within REC Schedule 24 – Switching Data Management. This is where a Regulatory Alliance has been created and how this is entered into CSS by the Gas Retail Data Agent (GRDA) or the Electricity Retail Data Agent (ERDA).

The majority of the process for creating a Regulatory Alliance sits under the Distribution Connection and Use of System Agreement (DCUSA) for electricity and the Uniform Network Code (UNC) for gas, with only the entering of this Regulatory Alliance into CSS being held under the REC. As such, a fuller review of the Regulatory Alliance creation process will remain out of scope of this REC Issue. This will be closely monitored via the Cross Code Steering Group to ensure the scope does not move outside the remit of the REC.

2 PROBLEM STATEMENT

The lack of Service Level Agreements (SLAs) on Network Parties to submit Regulatory Alliances to the CSS Provider or to work any rejections received from the CSS Provider can lead to delays in Consumers being able to Switch to their chosen Energy Supplier.

3 IMPACTS

CONSUMERS
All Consumers

REC SERVICE PROVIDERS
CSS Provider

REC DOCUMENTS / PRODUCTS
Schedule 24 – Switching Data Management

REC PARTIES AND SERVICE USERS
Energy Suppliers
Distribution Network Operators (DNOs)
Gas Transporters (GTs)
ERDAs
GRDAs

RECCO/CODE MANAGER
REC Performance Assurance - TBD

MHHS
There are no impacts to MHHS from this Change Proposal.

4 CROSS-CODE IMPACTS

There are no cross-code impacts from this Change Proposal. However, it will be closely monitored via the Cross Code Steering Group to ensure the scope does not move outside the remit of the REC.

If there is appetite for the process of creating Regulatory Alliances under DCUSA or the UNC to be reviewed, separate changes will need to be raised to those codes.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**09 Jul 26**	**31 Oct 26**
	Code Manager Initial Assessment	July	August
	Solution Development	July	October
	Legal Review	July	August

The Code Manager does not yet know if there will be Performance Assurance requirements and the need for a Service Provider impact assessment for this Issue. This will be determined during the solution development window, and then an Update to Plan submitted once the next steps are known.

6 PRIORITISATION CATEGORY AND URGENCY

6.1 PROPOSER REVIEW

The Proposer of this Issue has provided a review stating they believe this Issue:

- Does not meet the Ofgem criteria for Urgency;
- Has a medium alignment to the Ofgem Stragetic Direction Statement, due to links with objective 2 “Ensure high quality of service”, particularly 2.1 “Improve protection for all consumers, particularly those in vulnerable situations”. They also believe it links to objective 3 “Enable competition and investability through financial resilience”;
- Has medium importance as it directly impacts Consumer outcomes and market fairness, as there have been delays to new market entrants and Consumers Switching to them; and
- Has low to medium complexity depending on the final solution, noting potential cross-code dependencies.

Their review can found in the initial submission form here.

6.2 CODE MANAGER REVIEW

The Code Manager is proposing this Issue be given an Urgency Status of Standard and a Prioritisation Category of Standard.

The Code Manager believes this Issue:

- Does not meet the Ofgem criteria for Urgency, in agreement with the Proposer;
- Has a medium alignment to the Strategic Direction Statement, agreeing with the Proposers view that this links directly to Objective 2.1 “Improve protection for all consumers, particularly those in vulnerable situations”, but noting that it does not specifically address Vulnerable Consumers but rather Consumers as a whole. The Code Manager does not agree with the Proposer’s view this is furthers Objective 3 “Enable competition and investability through financial resilience” as this objective is targetted specifically at the financial resilience of Energy Suppliers and preventing Supplier of Last Resort (SoLR) situations;
- Has medium importance as it delivers useful but broadly comparable benefits to other Standard changes. Namely, it will have impacts on the Consumers, but the number of Consumers negatively impacted by incident that led to this Issue being raised was relatively low (around 200); and
- Has a medium complexity as it will require multiple Party Categories engaging to discuss and provide feedback on the proposed solution, but will have a strict scope to prevent the solution going outside the remit of the REC.

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7 APPENDIX

CHANGE PROPOSAL	Link

8 GLOSSARY

TERM	DEFINITION
Distribution Connection and Use of System Agreement (DCUSA)	means the agreement of that name maintained pursuant to the Electricity Distribution Licences.
Distribution Network Operator (DNO)	means a person holding an Electricity Distribution Licence.
Electricity Retail Data Agent (ERDA)	means a provider of a DNO's Electricity Retail Data Service.
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.
Gas Retail Data Agent (GRDA)	means the provider of a Gas Transporter's Gas Retail Data Service.
Gas Transporter (GT)	means a person holding a Gas Transporter Licence which requires that person to become a Party to this Code.
Network Party	means a Party which is either a Distribution Network Operator or a Gas Transporter.
Prioritisation Category	has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.
Regulatory Alliance	means that the necessary regulatory relationships exists between Market Participants, as defined in the Switching Data Management Schedule.
Supplier of Last Resort (SoLR) Process	means the process of appointing a Replacement Supplier, as defined in the Energy Supply Licence.
Switch	means a change to the Registered Supplier for an RMP.
Uniform Network Code (UNC)	means the Uniform Network Code established under the Gas Transporter Licences.