RETAIL ENERGY CODE

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# REC ISSUE SUBMISSION FORM (COPY)

## 1 PERSONAL DETAILS

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| **PROPOSER NAME** *(Mandatory)* | Holly Law |
| **COMPANY** *(Optional)* | |
| **COMPANY TYPE** *(Optional)* | Code Manager |
| **TELEPHONE NUMBER** *(Optional)* | |
| **EMAIL ADDRESS** *(Mandatory)* | Holly.law@recmanager.co.uk |

## 2 ISSUE SUMMARY

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| **ISSUE TITLE** *(Mandatory)* | Smart Meter Communication Licence Code Changes |
| **WHAT IS THE ISSUE YOU ARE SEEKING TO SOLVE?** *(Mandatory)* | Ofgem has awarded the Smart Meter Communications Licence 2 (SMCL2) to DCC2 Limited, a subsidiary of Smart Energy Code Company Limited (SECCo). In line with this award and Condition 43 of the current DCC licence (SMCL1), Business Handover from the DCC (DCC1) to DCC2 is expected to take place on 2 November 2026.<br>To enable a smooth transition and ensure continuity of service, changes to both the Smart Energy Code (SEC) and the Retail Energy Code (REC) will be required. These changes are necessary to support transitional arrangements ahead of Business Handover, as well as to provide legal and operational certainty at the point the Authorised Business is transferred. Without timely and coordinated code change, there is a risk to industry confidence, service continuity, and delivery of enduring SMCL2 arrangements.<br>Ofgem has asked the relevant code administrators to lead on implementing the required code changes. This expectation is reinforced in the draft second Strategic Direction Statement, which sets out Ofgem's clear expectation that industry should pursue "act now category" |

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| | code changes to support the transition to DCC2 and reduce delivery risk ahead of Business Handover. |
| **WHAT IMPACT IS THIS HAVING?** *(Mandatory)* | Since the award of the SMCL2 to DCC2, there is now a period which both SMCL1 and SMCL2 are active concurrently. During this period:<br><br>DCC1 will continue to operate under SMCL1, subject to any further licence changes and/or progressive disapplication of obligations as directed by Ofgem; and<br><br>DCC2 will hold SMCL2, although not all licence obligations are to be "switched on" immediately.<br><br>Given the dual-licence situation, it is essential that the SEC and REC can operate effectively during a period in which more than one smart metering communication licensee exists, while also accommodating the transfer of the Authorised Business on the Transfer Date. |
| **WHAT DO YOU CONSIDER TO BE AN EFFECTIVE SOLUTION?** *(Mandatory)* | Schedule 1 includes the following definitions:<br><br>• The "Data Communications Company" is defined "the person holding the DCC Licence.".<br><br>• "DCC Licence" is defined "means the licences granted under section 6(1A) of the Electricity Act and section 7AB (2) of the Gas Act.".<br><br>At the point the new SMCL2 is awarded but before the point of Business Handover, both DCC1 and the incoming DCC2 can be said to hold a licence "granted under section 6(1A) and section 7AB(2)".<br><br>This will create interpretive ambiguity in the REC as the definitions do not specify which licence (SMCL1 or SMCL2) and it does not explicitly allow dual licence periods and therefore the transition.<br><br>The Main Body of the REC refers to the DCC Licence and Condition 15 in two areas:<br><br>• Category of Parties: paragraph 2.2 refers to "*Condition 15 (Incorporation, delivery and provision of the Centralised Registration Service) of the DCC Licence*" |

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| | • CRS Services IPR: paragraph 13.5 refers to "*Condition 15.4(d) and Condition 15.5AA(c) of the DCC Licence*.".<br><br>Schedule 6 refers to the DCC Licence in relation to the CRS Provider's revenue at risk which is set out in the DCC Licence. This will need to be reviewed as part of the new incentive regime and guidance.<br><br>*"The CRS Provider's maximum revenue at risk in respect of Performance Charges is determined under the DCC Licence pursuant to the Switching Incentive Regime Guidance (as defined in the DCC Licence), which sets out the percentage of the Centralised Registration Service Margin (as defined in the DCC Licence) which is at risk in respect of the Performance Levels under this Code"*<br><br>And changes (provided) to clause 5 CRS Provider Performance Levels. |
| **IS THERE ANY BACKGROUND INFORMATION OR CONTEXT TO THE ISSUE THAT WOULD BE USEFUL?**<br>*(Optional)* | |
| **DOES THIS ISSUE RELATE TO AN EXISTING ISSUE RAISED OR AN EXISTING CHANGE PROPOSAL? IF SO, PLEASE PROVIDE DETAILS OF THE ISSUE OR CHANGE PROPOSAL.** | |

## 3 CONSUMER IMPACTS

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| **WHICH CONSUMER TYPES WILL BE IMPACTED BY THIS ISSUE?**<br>*(Mandatory)* | ☐ All<br>☐ Electricity<br>☐ Gas<br>☐ Domestic Prepayment<br>☐ Domestic Credit<br>☐ Microbusiness |

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| | ☐ Small and Medium Enterprise (SME)<br>☐ Industrial and Commercial (I&C)<br>☐ Other (please specify in the Additional information box below) |
| **WHAT IMPACT WILL THIS ISSUE HAVE FOR THESE CONSUMERS?** *(Mandatory)* | ☐ Switching experience<br>☐ Billing accuracy<br>☐ Trust and confidence<br>☐ Safety<br>☐ Security of supply<br>☐ Ability to pay<br>☐ On site experience<br>☐ Achieving Net Zero<br>☐ Other (please provide details in the Additional information box below) |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **DOES THIS ISSUE CONTRIBUTE TO THE ACHIEVEMENT OF NET ZERO?** *(Mandatory)* | |
| **ADDITIONAL INFORMATION** *(Optional)* | |

## 4 CODE IMPACTS

**Does this Issue relate to or impact:**

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| **THE REC OR REC SCHEDULES?** *(Optional)* | ☒ Main Body<br>☒ Schedule 1 - Interpretations and Definitions Schedule |

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| | ☐ Schedule 3 - Accession Agreement<br>☐ Schedule 4 - Company Governance<br>☐ Schedule 5 - Change Management<br>☒ Schedule 6 - Performance Assurance<br>☐ Schedule 7 - Energy Theft Reduction<br>☐ Schedule 8 - Unbilled Energy Code of Practice<br>☐ Schedule 9 - Qualification and Maintenance<br>☐ Schedule 10 - Charging Methodology<br>☐ Schedule 11 - Prepayment Arrangements<br>☐ Schedule 12 - Data Access<br>☐ Schedule 13 - Transfer of Consumer Data<br>☐Schedule 14 - Metering Operations<br>☐ Schedule 15 - Metering Accreditation<br>☐ Schedule 17 - Secure Data Exchange<br>☐ Schedule 18 - Green Deal Arrangements<br>☐ Schedule 19 - Market Exit and Supplier of Last Resort<br>☐ Schedule 22 - Market Stabilisation Charge<br>☐ Schedule 23 - Registration Services<br>☐ Schedule 24 - Switching Data Management<br>☐ Schedule 25 - Central Switching Service<br>☐ Schedule 26 - Switching Service Management<br>☐ Schedule 27 - RMP Lifecycle Schedule<br>☐ Schedule 28 - Related Metering Points<br>☐ Schedule 29 - Address Management<br>☐ Schedule 30 - Resolution of Consumer Facing Switching and Billing Issues<br>☐ Schedule 31 – Prepayment Method Levelisation Reconciliation<br>☐ Schedule 32 - Electricity Supply to Hydrogen Electrolysers<br>☐ Schedule 33 - Non Domestic Change of Occupier<br>☐ Schedule 34 - Migration Schedule |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **OPERATIONAL DOCUMENTS** *(Optional)* | ☐ Consolidated Metering Code of Practice (CoMCoP)<br>☐ Cross Code Steering Group Terms of Reference<br>☐ Performance Assurance Board Terms of Reference |

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| | ☐ Performance Assurance Report Catalogue<br>☐ REC Change Panel Terms of Reference<br>☐ Smart Meter Installer Domestic Customer Survey<br>☐ Smart Meter Installer Microbusiness Customer Survey |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **SERVICE SPECIFICATION** *(Optional)* | ☐ Central Data Service Provider Further Services Service Definition<br>☐ Central Switching Service Definition<br>☐ CSS Certificate Authority Service Definition<br>☐ Electricity Enquiry Service - Service Definition<br>☐ Electricity Retail Data Service Definition<br>☐ Gas Enquiry Service Definition<br>☐ Gas Retail Data Service Definition<br>☐ Green Deal Database Service Definition<br>☐ Secure Data Exchange Service Definition<br>☐ Switching Operator Service Definition |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **API TECHNICAL SPECIFICATION** *(Optional)* | ☐ EES API Technical Specification<br>☐ GES Meter Asset Enquiry API Technical Specification<br>☐ GES Supply Point Switching API Technical Specification<br>☐ GES Supply Point Enquiry API Technical Specification |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **THE DATA SPECIFICATION** *(Optional)* | ☐ Data Access Matrix<br>☐ Data Item Catalogue<br>☐ Market Message Catalogue<br>☐ Standards Definition |

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| | ☐ Supply Number Format |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **CENTRAL SYSTEMS OR REC SERVICES?** *(Optional)* | ☐ Central Data Service Provider Further Services<br>☐ Central Switching Service (CSS)<br>☐ CSS Certificate Authority<br>☐ Electricity Enquiry Service<br>☐ Electricity Retail Data Service<br>☐ Electricity Theft Tip Off Service<br>☐ Gas Enquiry Service<br>☐ Gas Retail Data Service<br>☐ Green Deal Central Charging Database<br>☐ Secure Data Exchange Service<br>☐ Switching Operator |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **REC PARTIES AND/OR MARKET PARTICIPANTS?** *(Optional)* | ☐ AMR Service Providers<br>☐ Data Aggregators<br>☐ Data Collectors<br>☐ Data Services<br>☐ Smart Meter Data Retrievers<br>☒ DCC<br>☐ Distribution Network Operators<br>☐ Energy Suppliers<br>☐ EES Users<br>☐ Gas Transporters<br>☐ GDCC Users<br>☐ GES Users<br>☐ Green Deal Finance Parties<br>☐ Green Deal Providers<br>☐ Meter Asset Providers<br>☐ Metering Equipment Managers<br>☐ Shippers<br>☐ Third Party Intermediaries<br>☐ Virtual Lead Party |

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| | ☐ Other (please provide details in the Additional Information box) |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **OTHER INDUSTRY CODES?** *(Optional)* | ☐ Balancing & Settlement Code (BSC)<br>☐ Distribution Code Use of System Agreement (DCUSA)<br>☒ Smart Energy Code (SEC)<br>☐ Uniform Network Code (UNC)<br>☐ Independent Gas Transporter Uniform Network Code (IGT UNC)<br>☐ Data Integration Platform (DIP) Rules |
| **ADDITIONAL INFORMATION** *(Optional)* | |

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| **DOES THIS ISSUE IMPACT A SIGNIFICANT CODE REVIEW?** *(Optional)* | No |
| **ADDITIONAL INFORMATION** *(Optional)* | |

## 5 ISSUE PROGRESSION

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| **DO YOU BELIEVE THIS ISSUE PROPOSAL MEETS THE CRITERIA FOR 'URGENCY' AND SHOULD BE PROGRESSED UNDER AN URGENT TIMETABLE?**<br><br>**IF SO, PLEASE PROVIDE JUSTIFICATION?** *(Optional)* | No, however due to implementation timescales, should be considered urgent when determining the change proposal plan. |
| **SDS ALIGNMENT - HOW CLEARLY THE CHANGE SUPPORTS OFGEM'S STRATEGIC DIRECTION** | High - Consumers, Vulnerability and PSR.<br>• Smart & Retail Operations.<br>• Digitalisation |

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| **STATEMENT AND HELPS DELIVER SDS PRIORITIES/OUTCOMES.** *(Mandatory)* | |
| **IMPORTANCE - THE SIGNIFICANCE OF THE BENEFITS OR RISKS ADDRESSED (E.G., CONSUMER OUTCOMES, COMPLIANCE/LEGAL RISK, SYSTEM/OPERATIONAL IMPACTS, MARKET FAIRNESS).** *(Mandatory)* | High - Delivers noticeably greater regulatory benefit than most other Standard changes. |
| **COMPLEXITY/ DELIVERY CONSIDERATIONS - HOW CHALLENGING IT IS TO DEVELOP AND IMPLEMENT (E.G., SCALE OF CHANGE, STAKEHOLDER ENGAGEMENT REQUIRED, SERVICE/SYSTEM IMPACTS, CROSS-CODE DEPENDENCIES, DELIVERY/TESTING RISK).** *(Mandatory)* | Low complexity – Legal text changes only. |
| **ARE THERE ANY REQUIRED TIMESCALES FOR THE DEVELOPMENT OF THIS ISSUE?** *(Optional)* | |
| **ARE THERE ANY REQUIRED TIMESCALES FOR THE IMPLEMENTATION OF THIS ISSUE?** *(Optional)* | The application of quarterly performance changes will need to be removed before 1st October 2026. The other changes need to be implemented by 2nd November. |
| **ARE YOU AWARE OF ANY DEPENDENCIES ASSOCIATED WITH THIS ISSUE WHICH MAY IMPACT ITS PRIORITY OR PROGRESSION TIMETABLE?** *(Optional)* | |

## 6 ATTACHMENTS

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| **ATTACH/PROVIDE ANY SUPPORTING DOCUMENTS TO BE SUBMITTED WITH THE FORM** | |