November 2024

REC Performance Assurance User Guide

recco

Welcome

This User Guide will help you understand the Performance Assurance Framework (PAF) and the assurance activities that will be conducted by the Code Manager to assess your performance.



Contents

The Code Manager monitors and assures the performance of organisations operating in the retail market. These organisations are referred to as Performance Assurance Framework Participants and include REC Parties, REC Service Providers and specific Non-Parties that use REC Services.

This assurance process focuses on risks to retail energy consumer outcomes and the effectiveness of the retail market. This will be provided through a Performance Assurance Framework (PAF) underpinned by a comprehensive Risk Register and associated interventions. The Performance Assurance Board (PAB) oversees the PAF.

This user guide covers the following areas.

Click the relevant title to navigate to that section.

Introduction to the PA framework

Assurance techniques and determinations

Retail risk register

Measuring retail risk

REC portal functionalities

Appeals and escalations

Introduction to Performance Assurance Framework (PAF) 1/3

REC Performance Assurance aims to measure and improve market performance. The Performance Assurance Board oversees a risk-based Performance Assurance Framework to do so.

What questions does the Performance Assurance Framework seek to answer?

- Are there areas where consumers are impacted by PAF Participants not meeting their obligations
- Are Metering Equipment Managers (MEMs) meeting their Codes of Practice?
- Are Central Services functioning as intended to support Retail Markets?
- Are there Market wide issues impacting the performance of many REC Parties?
- Does performance data tell us ways to improve REC processes?

Introduction to Performance Assurance Framework (PAF) 3/3

The REC Performance Assurance Methodology encompasses a number of steps and components to identify, assess and mitigate retail market risks. This is all managed through the Performance Assurance Framework (PAF).

Performance Assurance Methodology:

Understanding the causes and solution to issues in the Market by gaining confidence in performance and providing transparency.



Retail Risk Register 1/2

The areas that the Code Manager is measuring are set out in the Retail Risk Register. These are prioritised and include the performance measures. Performance measures are data driven and they are used to assess performance against the risk driver to evaluate the likelihood of the Retail Risk causing customer detriment or market inefficiencies. This register will evolve over time as the market evolves.

You can:

- Read and understand the register to get a detailed understanding of the areas of focus Assurances for REC Performance
- Suggest new risks, or updates to existing ones to make them better
- Understand which risks relate to customer vulnerability or the effectiveness of retail markets
- Identify the obligations related to risks, as well as who is affected by each risk
- Recognise performance levels and minimum thresholds

Retail Risk Register 2/2

The Retail Risk Register is in PDF format and identifies applicable Retail Risks and ranks these in accordance with the approved Performance Assurance Methodology.

Please refer to the Performance Assurance Methodology for further details including scoring of the Risk Drivers. REC focuses on Retail Risks within the retail energy market.

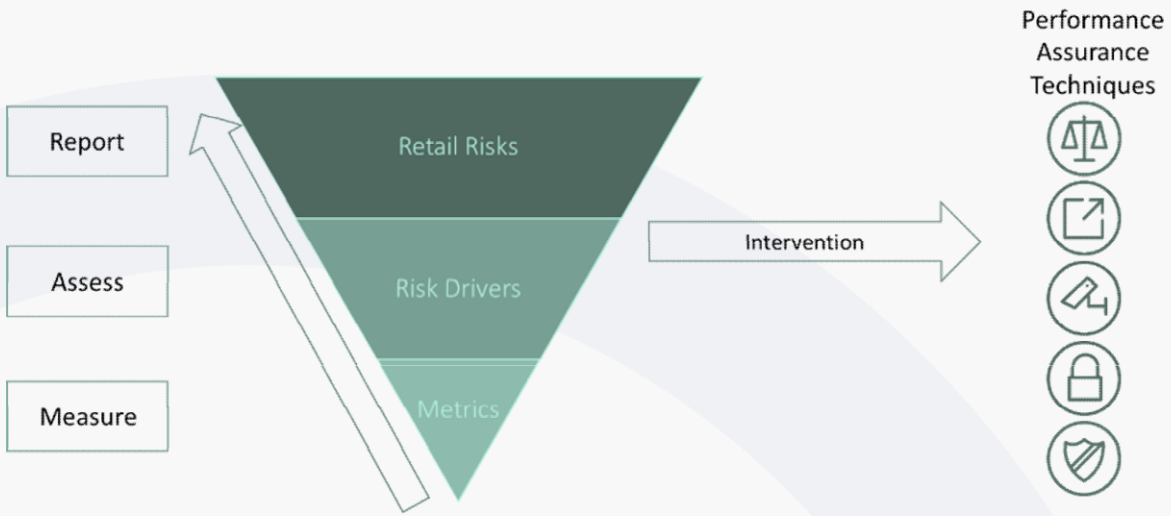
Retail Risks are high level risks focused on customer outcomes based on the intent and purpose of a given REC objective.

The Retail Risk Register details the following:

1. The risks that the PAF will assess in the year
2. The significance of each risk
3. Who is responsible for mitigating each risk (e.g. rules or outcomes)
4. Possible consequences / impact of not mitigating each risk
5. Which PAT could be applied to mitigate Retail Risks
6. The remedies and sanctions that may be applied to each risk identified

Measuring Retail Risks 1/3

The Code Manager has put in place a Performance Assurance Methodology which describes how relevant risks are identified, measured and evaluated. This focuses on three levels of risk information:



- **Retail Risks** are high level risks focused on consumer outcomes based on the intent and purpose of a given REC objective.
- **Risk drivers** associated with a Retail Risk, focus on REC processes and the causes of consumer harm, or non-compliance. Each Retail Risk will be associated with one or many Risk Drivers.
- A **Performance Measur**e is a metric which demonstrate a party's performance in respect of a risk driver. Each Risk Driver is associated with one Performance Measure.

The Performance Assurance Methodology includes more information on this, including the definition of a Retail Risk, principles in applying this definition and details of the information recorded on each risk.

Measuring Retail Risks 2/3

Once risks and their drivers are identified the Code Manager can take one of two approaches:

Ongoing risk monitoring

- Best applied where there are many Parties to compare, and performance data exists
- Additional intervention is applied when performance is observed to be below standard
- Puts onus on Parties to decide how to meet their obligations, but focus on achieving key outcomes
- Can involve additional, more detailed monitoring if risk escalates

Direct application of techniques

- Appropriate for areas where we seek to prevent, instead of detect and correct (e.g. information security)
- Suitable for service providers or code managers, where we may test some areas on a cyclic basis
- Sets expectations of how outcomes are met, e.g. with specific processes that are of a high standard.
- More frequent, broader or deeper interventions can be completed if risk escalates

Ongoing risk monitoring is described in more detail in the Performance Assurance Methodology

Measuring Retail Risks 3/3

The Performance Assurance Methodology also sets out an approach to scoring risk performance and using this to inform assurance activities.

Performance data is collated from central systems ▶ This is analysed against a specific organisation's obligations ▶ Each area where an organisation does not meet their obligation is scored

For the most part we expect organisations will either pass or have minor breaches. However, for some performance measures an organisation may have major breaches or areas of significant underperformance.

Pass

REC Party meets minimum threshold of the measurement rule

Minor

REC Party does not meet minimum threshold, but is within the tolerance of the measurement rule

Major

REC Party does not meet minimum threshold, and exceeds the tolerance of the measurement rule

The Code Manager uses the number of majors and minors to determine where to focus its assurance. It uses a threshold set by the PAB for each metric to do so. Any fails are immediately acted upon.

Assurance Techniques and Risk Management Determinations 1/5

In response to high, or increasing, risk scores the Code Manager can use Performance Assurance Techniques.

Each month the Code Manager will review performance data to decide which techniques to apply. This is referred to as the risk management determination process.

The Code Manager can apply one of 17 Performance Techniques, and 3 escalations, as set out below.

Preventive	Incentive	Risk Monitoring	Assessment	Remediation	Escalation
Provision of High Quality Guidance	Notification Peer	Cross Industry Monitoring	Enquiry	Action Plan	Specific Conditions
Qualification/Maintenance of Qualification	Comparison	Specific Topic Monitoring	Request for Information (RFI)	Periodic Monitoring and Closure Reports	Referral to Ofgem
Training and Guided Pathways	Performance Charges	Sentiment Analysis	Self-Assessments	Management Assertion	Event of default
		Surveys	Code Manager Assessment	Code Manager / Independent validation	

Performance Assurance Techniques — Escalations

Assurance Techniques and Risk Management Determinations 2/5 Frequently Used PATS

Enquiry

We issue an Enquiry when we want fundamental clarifications to help us understand the problem.

Remediation Action Plan

Once we have the relevant information from Parties and we have determined the root causes, we set out an remediation action plan for Parties to help them improve their performance.

Request for Information (RFI)

We apply an RFI when we have identified a potential issue, and require further information from Parties to assess the problem.

Peer Comparison

Peer Comparison is designed to encourage performance improvements by presenting a comparative analysis amongst their peers in the Industry.

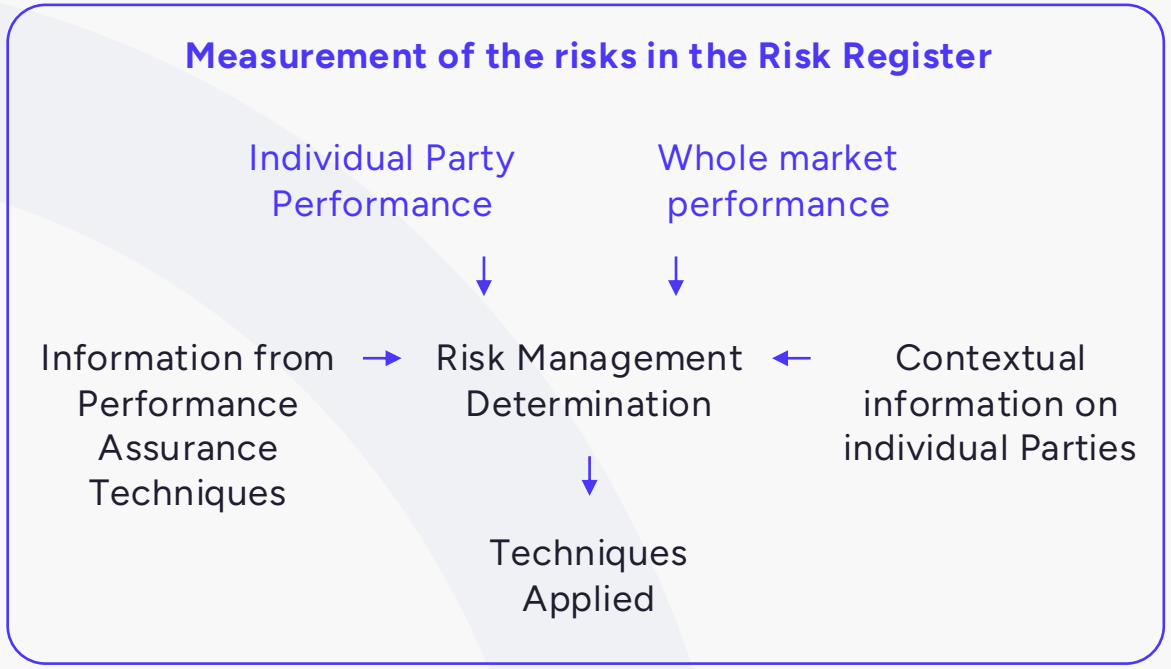
Surveys

When we notice performance issues across the industry, we conduct industry wide surveys to understand the potential themes of root causes.

Assurance Techniques and Risk Management Determinations 3/5

Every month the Code Manager uses data to decide which Performance Assurance Techniques should be applied. This process is called the monthly Risk Management Determinations.

Parties can see their risk data each month on the REC Portal. They should use this information to understand and improve their performance.



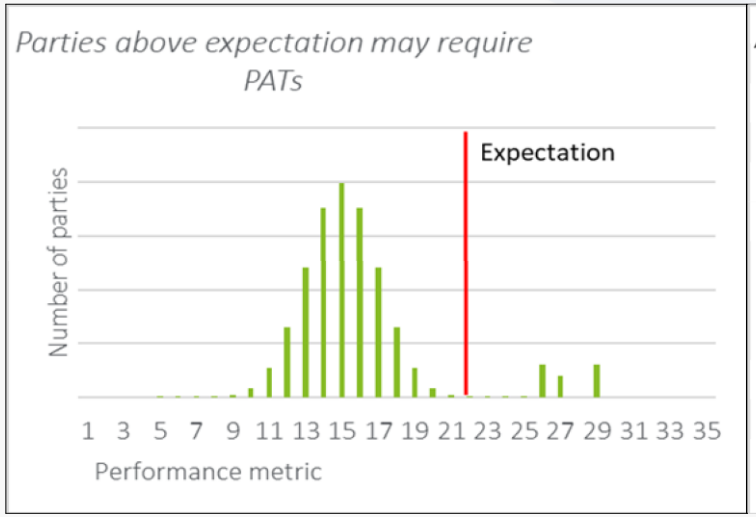
Performance Assurance Techniques can be used to understand the causes of issues, or to address issues.

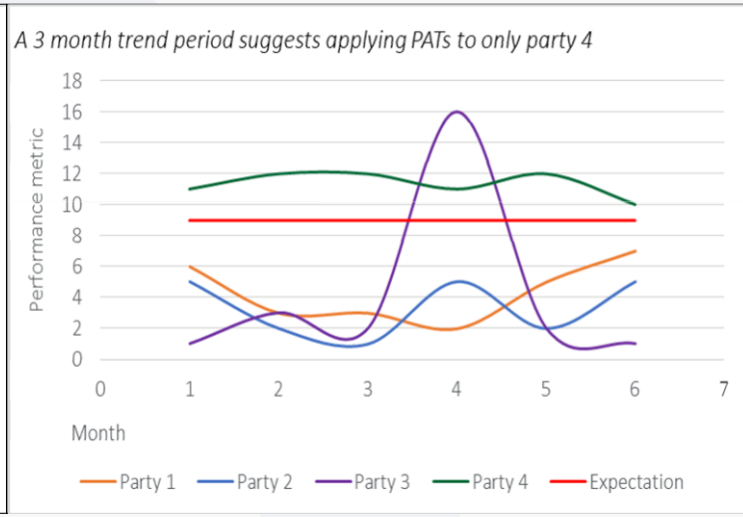
Bringing together risk and assurance information will allow the Code Manager to target interventions at the causes of issues.

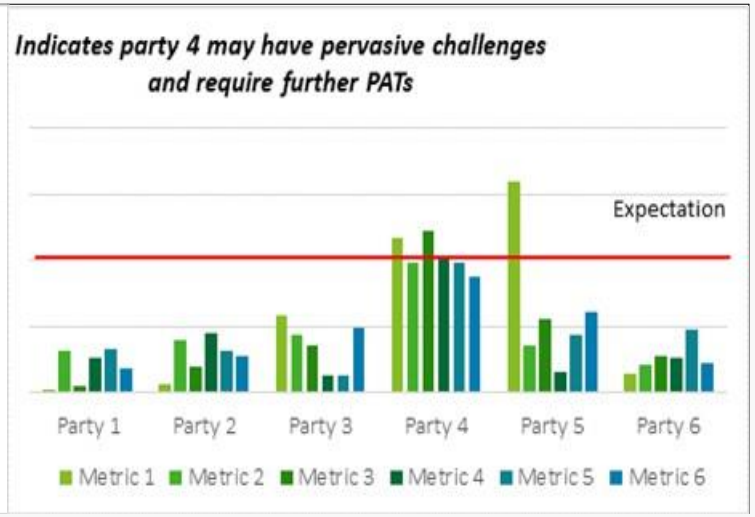
Assurance Techniques and Risk Management Determinations 4/5

When the Code Manager applies Performance Assurance Techniques you will always be told why. The Performance Assurance Techniques document sets out the processes and safeguards in place over the use of these techniques. For some techniques, such as notifying PAF Participants of identified performance issues, the Code Manager will do this automatically. More complex Performance Assurance Techniques will only be implemented after PAB approval.

How data is used to guide monthly determinations:







Assurance Techniques and Risk Management Determinations 5/5

In addition to the monthly risk determinations the Code Manager produces an annual operating plan. This sets out the principles of how the Code Manager will apply Performance Assurance Techniques during the year. It covers:

How the Code Manager is prioritising its time across different types of organisation	How the Code Manager has prioritised its time across different types of organisation	A prioritisation of risks at the start of the year
Timeline of assurance improvement activities	How techniques are directly applied to risks, where monitoring is not appropriate	Specific considerations for the year

Engaging with Performance Assurance Using the REC Portal

The REC Portal is the keyway you interact with the Code Manager. It is the place where all your Performance Assurance information and requests are held, and the easiest place to ask a question.

What will this look like?

On a regular basis, you will log into the REC Portal using your organisation account.

Every month, you will find updated risk information on the portal. You will be able to understand how your organisation is performing and can use this information to improve your own performance without intervention from the Code Manager.

Parties will have Performance Assurance Techniques applied to them, with better performing organisations having fewer and less intrusive techniques applied. For each technique you will be able to see a similar set of information, such as detail on the reasoning behind the application of the PAT. Moreover, you will be able to directly contact the Code Manager to help with queries you may have.

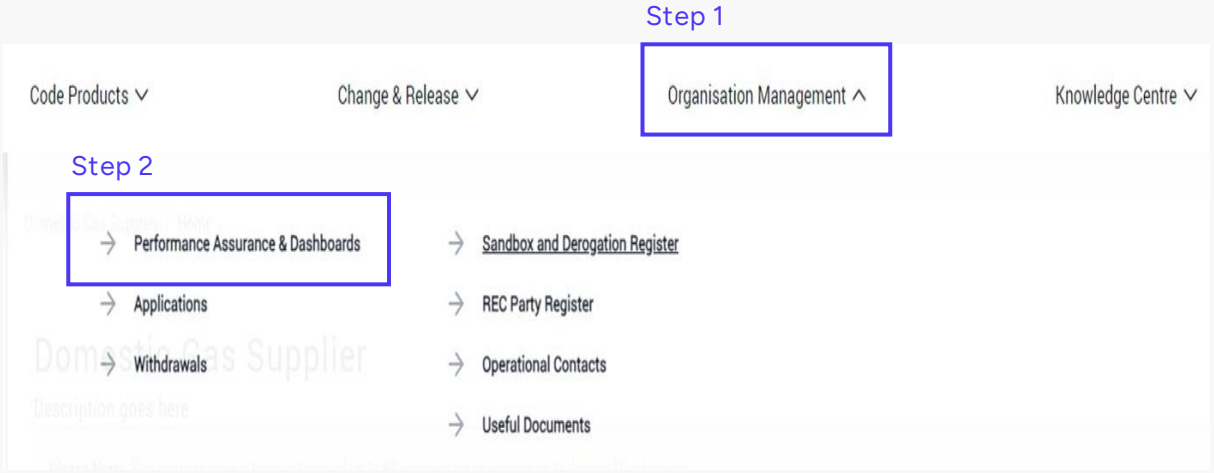
Additionally, there will be functionality to submit information required by the Code Manager per the Report Catalogue through your organisation account. Data items previously submitted by your organisation in the last 60 days will be visible to you, including the name of the item and date uploaded.

REC Portal

The REC Portal is the key way you interact with the Code Manager. It is the place where all your Performance Assurance information and requests are held, and the easiest place to ask a question.

The following slides show a step by step guide on how to navigate all Performance Assurance related information on the REC Portal starting with the Home Page.

Home page



Step 1: Hover over 'Organisation Management' in the landing page.

Step 2: Select 'Performance Assurance & Dashboards' on the drop-down menu

Party Operations

- Applications
- Performance Assurance
- Withdrawing from the REC
- Sandbox and Derogation
- Meter Product Table Change Request
- ES Peer Comparison
- RPA Calendar

Performance Assurance Title

RFI & Queries will include requests for information and other enquiries.

Remediation Tracker will include follow up actions to track remediation actions.



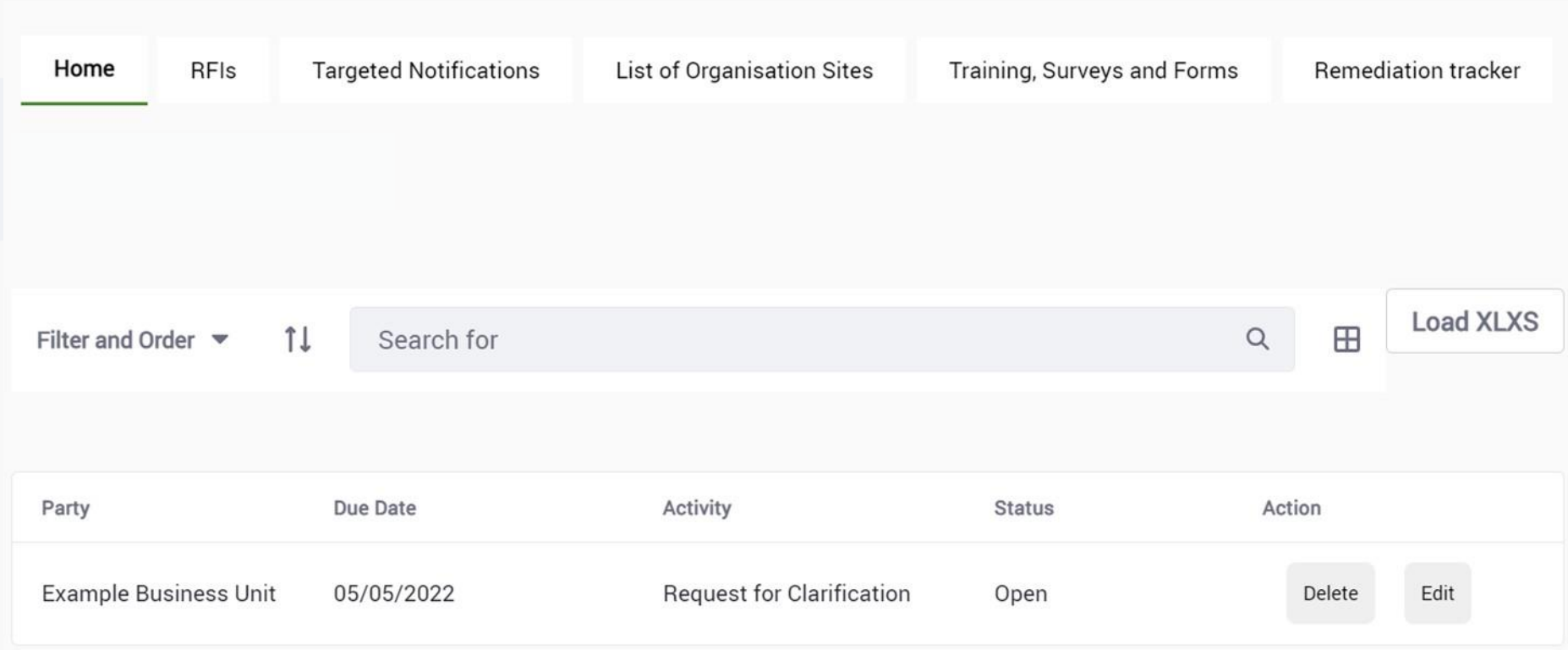
Home will list all actions assigned to your organisation.

Your Files will be used to share and receive data files specific to your organisation e.g: Data Cleanse DWG reports, SLA submissions, etc.

Training, Surveys and Forms will include links to surveys that Parties need to complete.

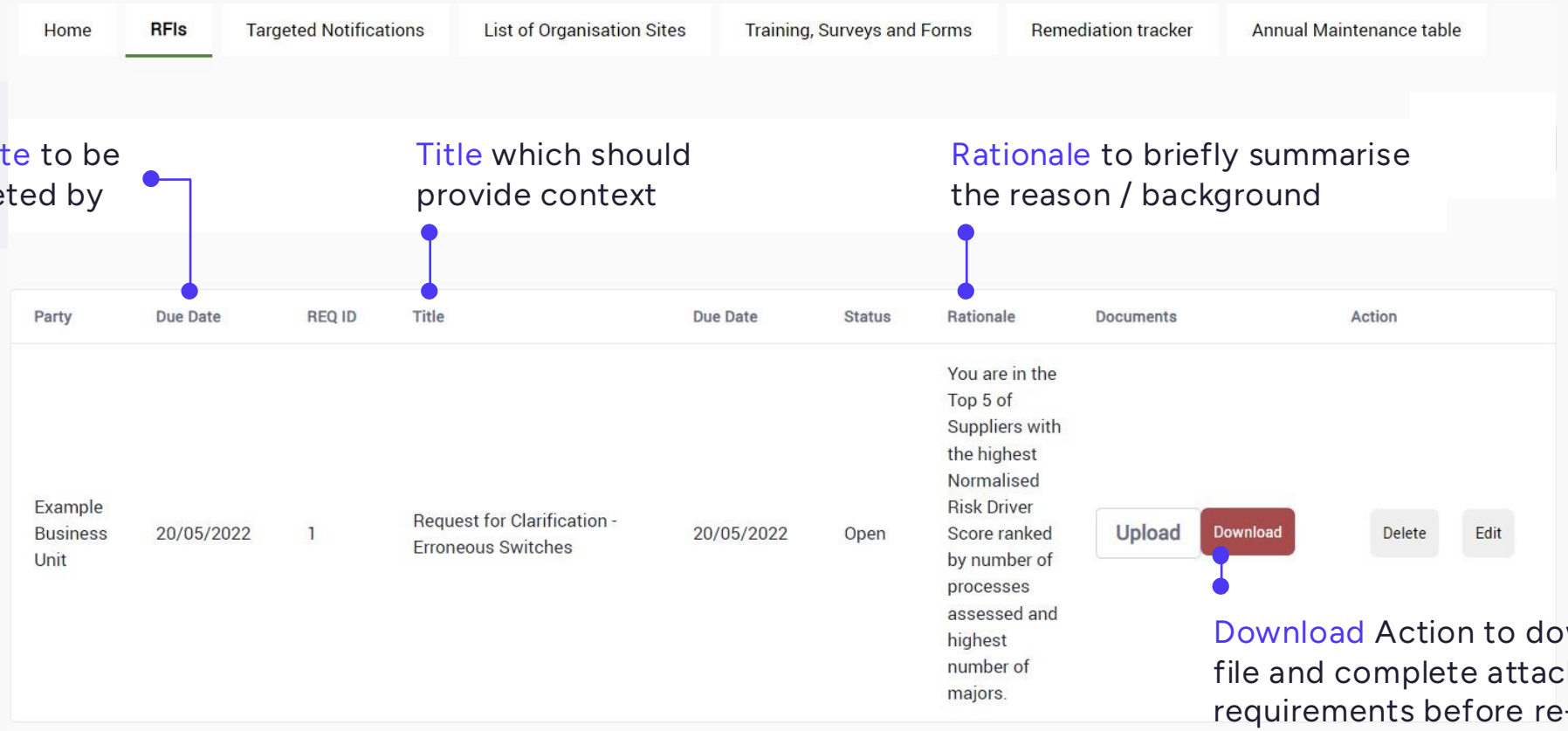
Home Tab

'Home' tab will list all actions assigned to your organisations, these will usually result from the Code Manager monthly risk determinations



RFI Tab

'RFI' tab will list all request for information, clarification requests or any queries for which the Code Manager will require your organisation to provide further information on.



Due date to be completed by

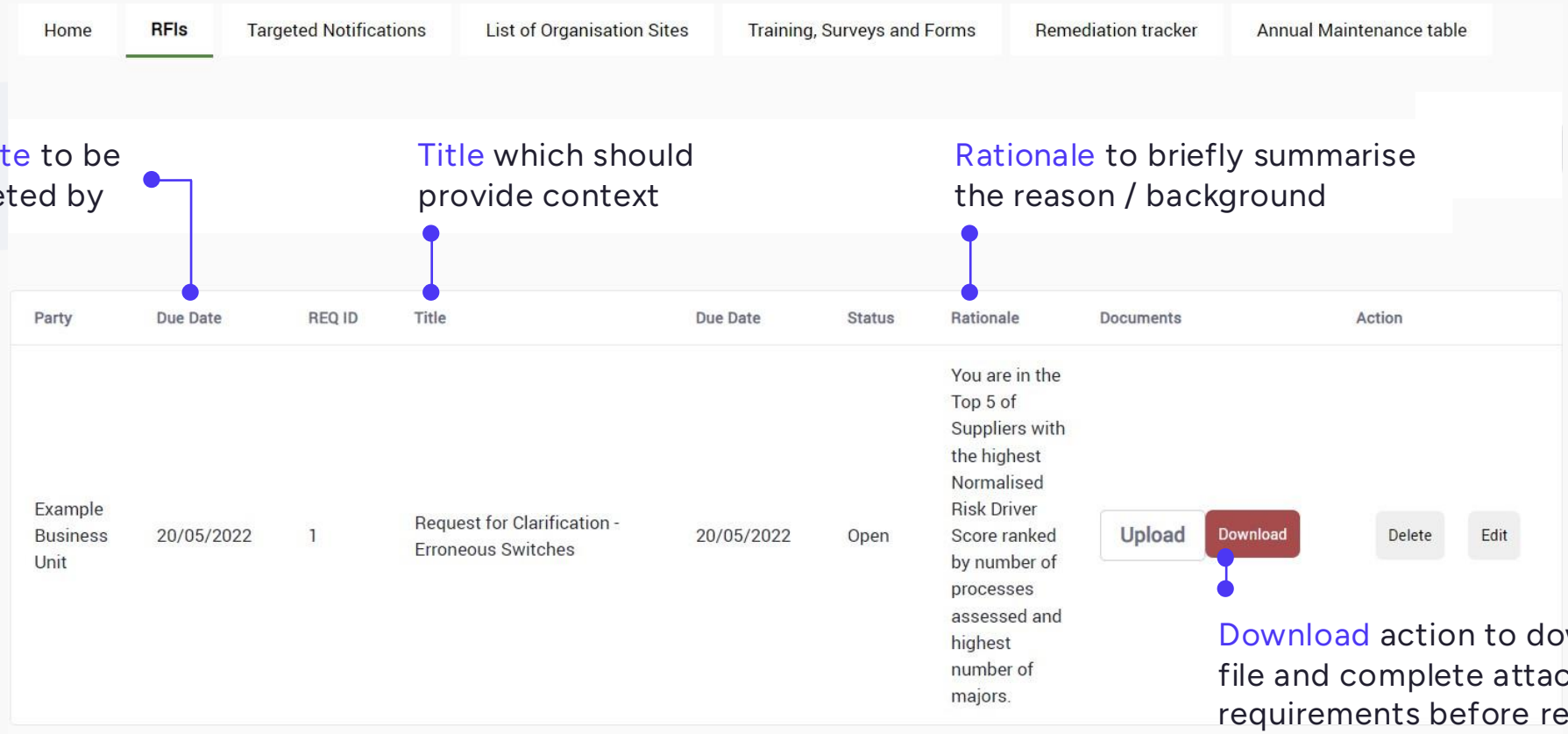
Title which should provide context

Rationale to briefly summarise the reason / background

Download Action to download the file and complete attached requirements before re-uploading response to the Portal

Training, Surveys and Forms Tab

'Training, Surveys and Forms' tab will include links to training, forms & surveys that organisations are required to complete.



Due date to be completed by

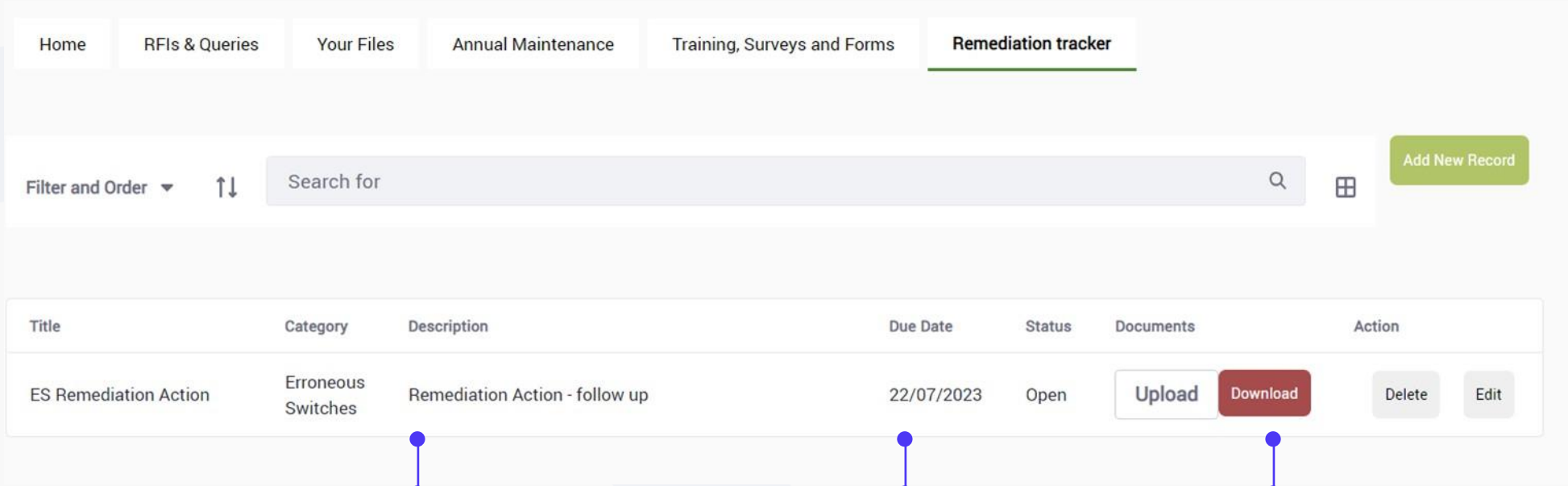
Title which should provide context

Rationale to briefly summarise the reason / background

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Remediation Tracker Tab

'Remediation Tracker' tab will include any follow up actions that have been identified following underperformance in one of the areas being monitored by the Code Manager.



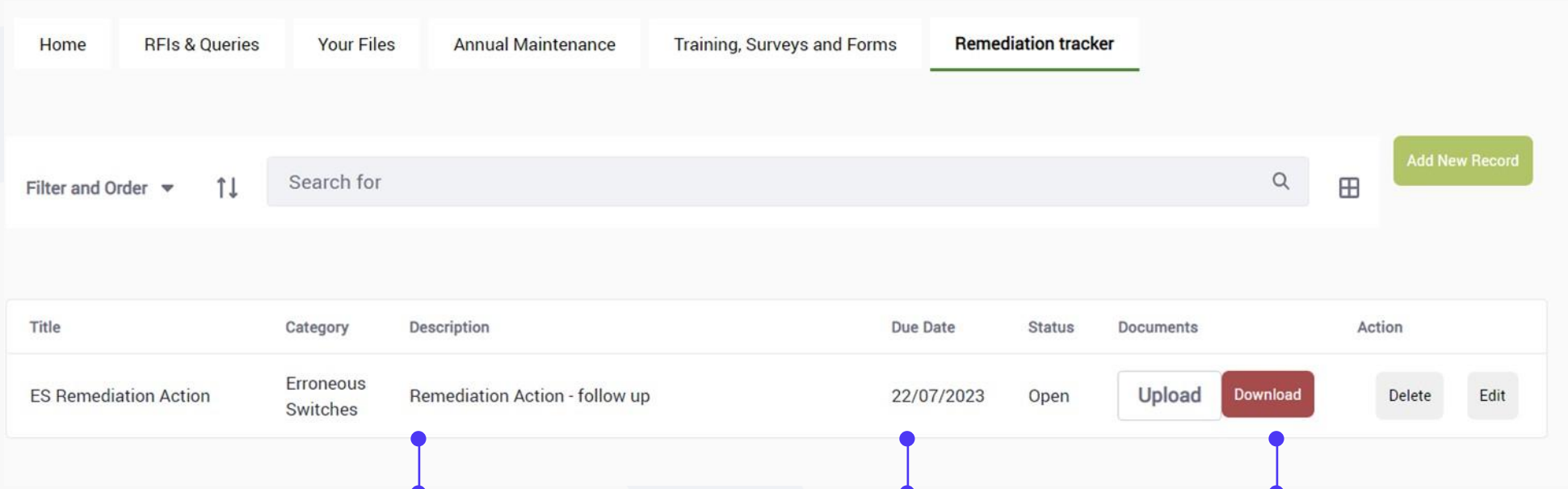
Description to briefly summarise the reason / background

Due Date

Download action to download the file and complete attached requirements before re-uploading response to the Portal

Updating the Status

All of the tabs ('Home', 'RFIs & Queries', 'Training, Surveys and Forms') will include an 'Update Status' button, where you will be able to update the status to 'Pending' once you believe you have completed the action or responded to the request. The Code Manager will then either close the record, or reopen it if further information is required.



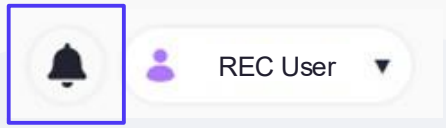
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Due Date

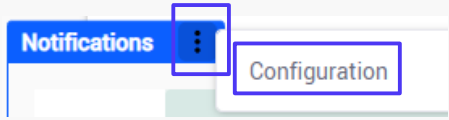
Download action to download the file and complete attached requirements before re-uploading response to the Portal

Enabling Email Notifications for RFI

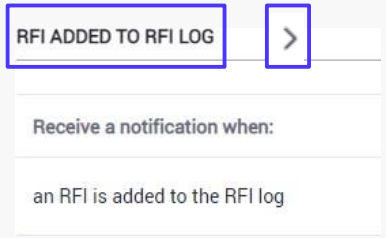
Ensuring email notifications are enabled is the easiest way to ensure that you are aware of any RFIs that have been issued.



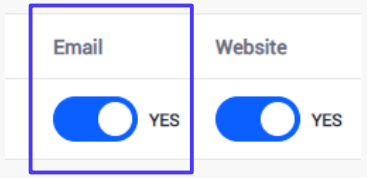
1. Click on the bell icon to navigate to the Notifications page.



2. Hover over the list of notifications to see a blue highlighting box and then click on the three dots which will bring up the Configuration option – select this.



3. Scroll down the list until you find RFI Added to RFI Log and expand this field by clicking '>'.



4. Ensure email notifications are enabled as seen here.

Appeals and Escalations 1/2

Performance Assurance Appeals

If you disagree or would like to raise a query in relation to a decision made by the Code Manager or PAB in relation to Performance Assurance, the first thing you should do is get in touch with the Code Manager using the REC Portal. If this relates to a Performance Assurance Technique you should do this on the chat associated with that technique.

If you are unable to resolve your query or are still dissatisfied with the decision, you can raise an appeal by completing an appeal and escalation form on the REC Portal. The route for appeals will depend on the nature of the appeal and the entity that made the initial decision that is being appealed, as outlined in the table below. The timescales for raising appeals are also set out below.

Area	Decisions made by	Appeals made to	Further escalations	Timescales
Performance Assurance (General)	PAB	REC Board (unless in relation to Qualification and Maintenance of Qualification)*	REC Board decision is final	Appeal must be raised within 10 WDs of the decision
Performance Assurance (General)	PAB	The Authority	Authority decision is final	Appeals can be raised at any subsequent time
Qualification and Maintenance of Qualification	Code Manager	PAB	Further escalations to the Authority, with the Authority decision being final	Appeal must be raised within 10 WDs of exiting the process

*Metering accreditation appeals are made to the PAB, with the PAB decision being final. This is set out in further detail in the Metering CoP User Guide.

Appeals and Escalations 2/2

Operational Disputes

For operational disputes set out in the REC, escalations will go to the Code Manager for resolution in the first instance. All escalations relating to operational disputes must be made through the REC Portal appeal and escalation form.

The Code Manager will be responsible for receiving and managing escalations. This will include seeking further information from the appealing organisation or any other relevant stakeholders, to give further context and evidence for the escalation case. The Code Manager will communicate the decision on how to resolve the operational dispute by notifying impacted Parties via the REC Portal.

The Code Manager may escalate to the PAB for resolution. The PAB will then determine what the outcome of the dispute should be, including any resulting actions that should take place to resolve the dispute. Relevant organisations will be made aware of the decision through a notification on the REC Portal.

If a dispute is considered to be urgent, the Code Manager will prioritise this for resolution. The decision on urgency will be based on whether there is a significant or material impact on customer outcomes and/or the achievement of the REC objectives.

Useful REC Documents

Click here to access the following resources:

- Performance Assurance Board (PAB) Procedures
- Performance Assurance Operating Plan
- Performance Assurance Methodology and Techniques
- Retail Risk Register



Key Contacts

Further Areas of Support

The Code Manager also provides further support to the industry.

Anton Moden

Assurance Lead

Anton is the single point of contact bringing the work the analytics, regulatory and PAF specific workstreams together. He is a key contact for PAB related matters, and will focus on establishing relations with the PAB. He will also be the designated point of contact for escalations from any of the three workstreams.

Vaishnavi Sharma

Assurance Manager

Vaishnavi will be your first point of contact for all performance assurance and risk management queries. Her responsibilities include maintenance of the Risk Register and other PAF products and leading our risk monitoring and performance assurance activities.