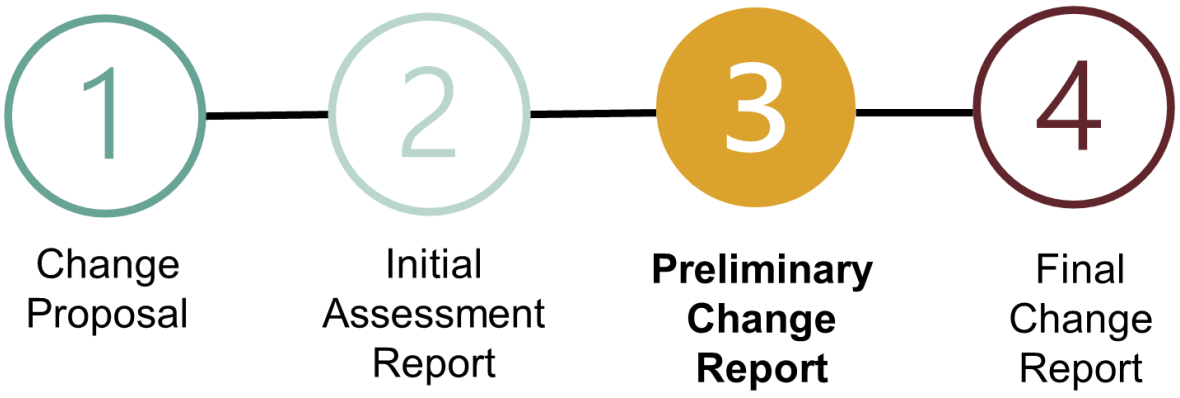
RETAIL ENERGY CODE

This document is classified as **WHITE**.
Information is for public, unrestricted dissemination and publication.

PRELIMINARY CHANGE REPORT



PURPOSE:	The Preliminary Change Report is drafted by the Code Manager when a Change Proposal has a fully formed solution that has been sufficiently assessed to allow a decision to be made on whether this should be approved for implementation. The report includes a summary of the Change Proposal, details of the proposed solution and the Code Manager's view on the case for change and recommendation.
NOTES:	The report sets out the minded-to position, prior to formal consultation, and may be changed when publishing the Final Change Report.
NEXT STEPS:	The Preliminary Change Report will be issued for consultation. Following this, the Code Manager will produce a Final Change Report and the Responsible Committee will make a decision on whether to approve the Change Proposal.

RETAIL ENERGY CODE

01	Initial Assessment Report
02	Preliminary Change Report
03	Final Change Report

PRELIMINARY CHANGE REPORT

R0033 – MICRO-BUSINESS SMART METER INSTALLATION REPORTS

DOCUMENT VERSION	1.0
DATE ISSUED	01/07/2022
DOCUMENT APPROVAL STATUS	PUBLISHED FOR CONSULTATION

RESPONSIBLE COMMITTEE	CHANGE PANEL

LEAD ANALYST	COLETTE BALDWIN	EMAIL
ASSURANCE LEAD	CHRISTINA BERMUDEZ ALVAREZ	EMAIL

CHANGE OVERVIEW

This Change Proposal seeks to introduce the Micro-Business Smart Meter installation consumer survey reports under the Retail Energy Code (REC) and for retrospective reports to be produced for intervening quarters since REC V2.0 go live.

CODE MANAGER'S RECOMMENDATION

The Code Manager recommends Change Proposal R0033 is **APPROVED** for implementation on 04 November 2022.

	High Impact: N/A
	Medium Impact: N/A
	Low Impact: REC Code Manager, Energy Suppliers, RECCo

RETAIL ENERGY CODE

CONTENTS

BACKGROUND		
1.	SUMMARY	4
2.	PROBLEM STATEMENT	4
3.	USER STORIES	4
PROPOSAL		
4.	SUMMARY OF ANALYSIS UNDERTAKEN	5
5.	SUMMARY OF IMPACT ASSESSMENT ACTIVITY	5
6.	DELIVERY AGAINST CHANGE PROPOSAL PLAN	6
7.	KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES	6
8.	PROPOSED SOLUTION	7
9.	DRAFT LEGAL TEXT	7
10.	PROPOSED IMPLEMENTATION DATE AND APPROACH	7
11.	CHANGE PATH	8
12.	RESPONSIBLE COMMITTEE	8
13.	BUSINESS CASE ASSESSMENT	8
14.	CASE FOR CHANGE	9
15.	CODE MANAGER'S RECOMMENDATION	9
16.	CONSULTATION PLAN AND NEXT STEPS	9
17.	APPENDIX	10

RETAIL ENERGY CODE

BACKGROUND

1 SUMMARY

Under the REC, each Energy Supplier must procure the services of an external market research agency to carry out Smart Meter installation surveys for their Domestic and Micro-Business Smart Meter installations.

The results of these surveys are provided to the REC Code Manager in the pre-agreed format, on a quarterly basis. The Code Manager collates the results for Domestic and Micro-Business installations and publishes the quarterly Domestic Consumer Survey Reports on the REC Portal.

The Smart Meter installation consumer survey report is designed to establish whether the obligations and standards set out in the Smart Meter Installation Schedule are being followed by Energy Suppliers (or their Appointed agents) during the smart metering installation process. It supplements Energy Suppliers' own compliance monitoring activities.

Prior to REC V2.0 Go-Live, anonymised Domestic and Micro-Business Smart Meter installation consumer Survey reports were published to the SMICOP Governance Board. Following the SMICOP Governance Board Meetings, only the Domestic Consumer Survey Reports were published in an un-anonymised format, and these have continued to be provided under the REC.

This change proposal seeks to re-introduce the production and publication of the quarterly Micro-Business reporting that was provided to the Governance Board.

2 PROBLEM STATEMENT

Energy Suppliers do not currently have the ability to assess their Micro-Business Smart Meter installation performance relative to other Energy Suppliers through Consumer Survey Reports, therefore may not take any appropriate action to address any areas of underperformance or respond to trends in Consumer feedback, wider than their own Consumer base. This could affect the Smart Meter installation service received by Micro-Business Consumers.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	As a Micro-Business Consumer, I want my Energy Supplier to complete my Smart Meter installation in line with, or above, the standards of service provided by other Energy Suppliers, so that the installation of the Smart Meter has minimal disruption to my business.
MARKET PARTICIPANT USER STORIES	
M1	As an Energy Supplier to Micro-Business Consumers, I want access to Consumer feedback from across the industry, to enable me to assess my performance relative to other Micro-Business Energy Suppliers and identify areas of under or over performance, enabling me to take appropriate actions to increase or maintain my performance.

RETAIL ENERGY CODE

PROPOSAL

4 SUMMARY OF ANALYSIS UNDERTAKEN

A review of the SMICOP governance relating to the publication of quarterly survey reports was undertaken. It became clear that although the SMICOP did not require full industry publication of Micro-Business Survey Reports in an un-anonymised form, that through custom and practice the reports became widely available. The reports were intended for the SMICOP Governance Board, however, there was no limitation on who could sit on the Governance Board, with all suppliers having the right to participate. As a consequence, all parties received copies of the reports, and over time, the anonymity of the parties was uncovered, with all parties having a good understanding of which parties were being reported on.

So, while the proposal was raised on the mis-understanding that this information was previously published for the industry to peer review, the requirement to provide the Micro-Business reporting was not included in the REC drafting, as it was only produced under SMICOP with the intention that the SMICOP Governance Board would receive it. To introduce the formal publication of the Micro-Business reports, the Schedule will need to be updated to capture these requirements.

5 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

5.1 SERVICE PROVIDER IMPACT ASSESSMENTS

Performance Assurance	• REC parties have continued to provide all of the Micro-Business Smart Meter Installation Survey reports since REC V2.0 Go-Live. • No archive data was provided to the REC prior to September 2021 for Micro-Business Reporting, and therefore it will not be possible to publish reports prior to September 2021. • It would take between 3 or 4 weeks to design the report and collate the data and complete internal reviews. • As the change proposal will require additional operational effort outside of the current scope, the Code Manager has analysed the estimated effort required and determined it would take approximately 0.05 days of Engagement Partner review, 0.1 days of Manager time and 0.2 days of an administrator per month. • This equates to a total annual cost of up to £3,480

5.2 REC PARTY IMPACT ASSESSMENTS

3 Energy Suppliers responded to the Impact Assessment Requests.

[ENERGY SUPPLIERS]	• Respondents were supportive of the publication of the reports as it would allow for the identification of opportunities for performance improvements. • Parties, however, were keen to ensure it was a cost-effective solution • Did not see a benefit to introduce retrospective publication beyond the Designation of the REC, particularly given the impact of COVID on performance.

6 DELIVERY AGAINST CHANGE PROPOSAL PLAN

	PLANNED	COMPLETED
SERVICE PROVIDER IMPACT ASSESSMENT ISSUED	20/05/2022	14/06/2022
PARTY IMPACT ASSESSMENT ISSUED	20/05/2022	14/06/2022
DEADLINE FOR ALTERNATIVE CHANGE PROPOSAL SUBMISSION	01/07/2022	01/07/2022
PRELIMINARY CHANGE REPORT ISSUED	01/07/2022	01/07/2022

All activity has been completed within the planned timescales.

7 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

7.1 RISKS AND ISSUES

No.	RISK	NOTES	MITIGATION
R1	REC Change Panel need to agree with the prioritisation of the Change Proposal and the Code Manager's proposed start date for legal text drafting.		The Change Proposal Plan would be reviewed following discussion at the Change Panel meeting. Closed.

7.2 ASSUMPTIONS AND DEPENDENCIES

No.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
A1	The Smart Meter Installation Consumer Survey Specification does not require reviewing as part of the development of Consumer Survey Reports for Micro-Business Consumers	Respondents to the Impact Assessment did not request changes to the report structure as previously provided.	Close

8 PROPOSED SOLUTION

The Solution proposed is that the Code Manager will prepare Micro-Business Consumer Reporting equivalent to that formerly produced for the SMICOP Governance Board, using information that REC Supplier Parties are already providing to the Code Manager under their performance reporting obligations set out in the REC. The publication dates will be equivalent to those of the Domestic Consumer Reporting Timelines, and the REC Schedule will be updated to include this requirement. The original reports were anonymised, with parties being provided with their own identifier. There are two solution options (a) to have a report which discloses the parties' identities or (b) using the same format but retaining the anonymity of parties.

The Service Provider Impact Assessment confirmed that the data is already available to the Code Manager. There will not be a need to gather any additional data to prepare the reports from REC V2.0 Go-Live up to the most recent publication date set out in the Schedule at the time this change is approved. Following approval of the modification, this report will be added to the published Supplier Performance Reporting on the REC Portal

The initial Assessment of the proposal looked at publication of retrospective Micro-Business Consumer Survey Reports, prepared by SMICOP Governance Board, for the timescales equivalent to those archive publications for Domestic Consumers. However, during the impact assessment process, we have established that this information has not been provided to the Code Manager, and therefore retrospective publication of data prior to September 2021 will not be possible.

9 DRAFT LEGAL TEXT

There are two sets of proposed legal drafting, depending on the solution option chosen, one for the identity of Suppliers to be disclosed, the other to be anonymised. Both versions can be found here.

10 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	04 November 2022

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

11 CHANGE PATH

CHANGE PATH	SELF-GOVERNANCE

12 RESPONSIBLE COMMITTEE

RESPONSIBLE COMMITTEE	CHANGE PANEL

13 BUSINESS CASE ASSESSMENT

13.1 COSTS

	DESIGN/ DEVELOPMENT COSTS	IMPLEMENTATION COSTS	ONGOING OPERATIONAL COSTS
CODE MANAGER	N/A	N/A	£3480 PER ANNUM

13.2 BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
INTANGIBLE BENEFITS	Publication of the Micro-Business Smart Meter Installation Survey Reports will allow Suppliers to review their performance against that of their peers and will help drive improvements in how the service is delivered, address areas of underperformance and respond to consumer feedback.

13.3 COST BENEFIT ANALYIS SUMMARY

As the provision of the Micro-Business Installation Survey Reports is a new requirement under the REC, there will a cost to introduce this which is set out earlier in this section.

The requirement on parties to provide the information is unchanged and therefore should not present any new costs to parties. There was no request from parties to consider reviewing the format of the reporting from that previously provided under SMICOP.
The Intangible benefits of improved transparency in reporting should help drive improvements in the provision of the service as well as providing an opportunity for Suppliers to be more responsive to customer feedback.

14 CASE FOR CHANGE

14.1 SELF-GOVERNANCE

The proposed solution appropriately resolves the original Problem Statement, and

- the cost and effort of implementing and operating the proposed solution is proportionate and cost-effective.
- the impact of the Change Proposal being implemented does not cause any detriment to market participants and/or consumers; and
- the proposed solution delivers positive outcomes for consumers.

The Code Manager therefore believes there is a positive case for implementing this change.

15 CODE MANAGER'S RECOMMENDATION

Based on the assessment in Sections 13 and 14, the Code Manager considers there is a positive business case for implementing this change. It will help drive improvements in the provision of Smart Metering Installation Services to Micro-business Customers, based on improved industry reporting and transparency.

The Code Manager recommends that the CHANGE PANEL:

- **APPROVES** the proposed change solution.
- **APPROVES** the proposed implementation approach.
- **APPROVES** the proposed implementation date of 04November 2022.

16 CONSULTATION PLAN AND NEXT STEPS

The consultation on this Preliminary Change Report for R0033 will be published on the REC Portal on **01 July 2022**, and Consultation will close on **22 July 2022**.

Following consultation, the Code Manager will produce an updated version of this Preliminary Change Report (referred to as the Final Change Report). This will include the outcome of the consultation, setting out a summary of the consultation submissions and the Code Manager's response.

The Final Change Report will be issued to **CHANGE PANEL** to make its determination.

APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link