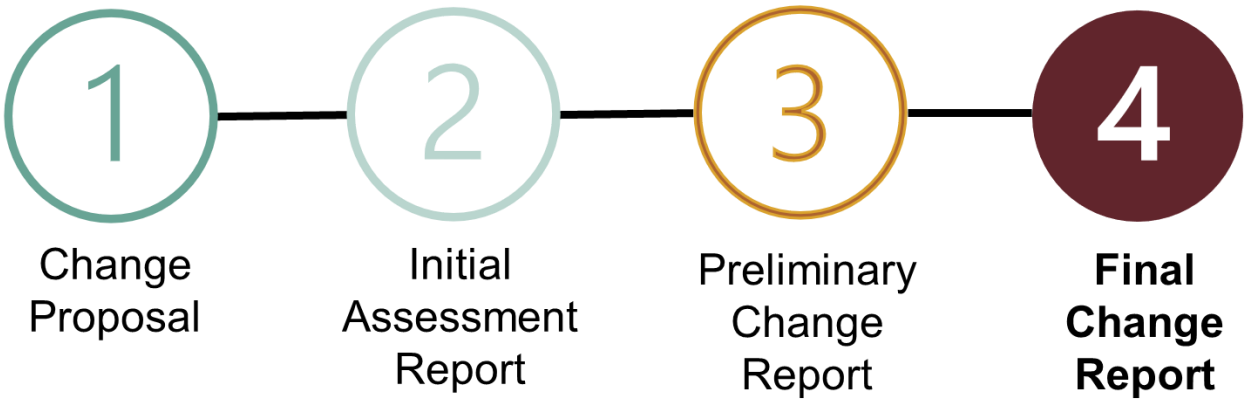
RETAIL ENERGY CODE

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FINAL CHANGE REPORT



PURPOSE:	The Final Change Report sets is the final stage of the Change Proposal, following consultation of the Preliminary Change Report. The Code Manager will set out their final assessment and recommendation, clarifying any changes made from the Preliminary Change Report.
NOTES:	There are three versions of the Final Change Report: one is issued the Responsible Committee for decision; one is published after the vote; and (if Authority Approval is required) one is published after the Authority determination.
NEXT STEPS:	The Final Change Report will be issued to the Responsible Committee who will vote to either approve or reject the Change Proposal, considering the recommendation of the Code Manager.

RETAIL ENERGY CODE

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

FINAL CHANGE REPORT

R0033 - MICRO-BUSINESS SMART METER INSTALLATION REPORTS

DOCUMENT VERSION	2.0
DATE ISSUED	16/08/2022
DOCUMENT APPROVAL STATUS	APPROVED BY THE CHANGE PANEL

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)

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

CODE MANAGER'S RECOMMENDATION

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

RETAIL ENERGY CODE

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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.

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

REC 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

Three REC Parties responded to the REC Party Impact Assessment and their consolidated responses can be found here.

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 with the planned timescales, and assumption that the report structure would remain unchanged was closed following the Impact Assessment.

7 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

7.1 RISKS

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

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 require changes to the proposed report structure previously provide under the SMICOP Governance.	Closed

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 SMICOP 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.

The Consultation on the Preliminary Change Report requested that industry confirm their preference for disclosure or anonmyising of party identity in the Micro-Business Consumer Report. The two responses had opposing views on what their preference was. The Code Manager is recommending that for consistency with the approach taken by other Performance Assurance Reports published by the PAB, the identity of parties is disclosed in the reports.

9 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0033 can be found here.

10 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	04/11/2022

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

Since the Code Manager has indicated that the lead time to deliver the change, once approved, is between 4-6 weeks, the next available Release will be the November 2022 Release.

11 CHANGE PATH

CHANGE PATH	SELF-GOVERNANCE

12 RESPONSIBLE COMMITTEE

RESPONSIBLE COMMITTEE	CHANGE PANEL

13 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 1 July 2022 to obtain views on the Preliminary Change report Link. In total 2 responses were received, neither of which were confidential. The key themes from these responses have been summarised below.

13.1 SUMMARY OF RESPONSES

13.1.1 COMMENTS ON THE SOLUTION

The respondents were supportive of the proposal, recognising that the benefits of publication of the information will help drive industry wide improvements and promote transparency.

13.1.2 BENEFITS RELATIVE TO IMPLEMENTATION AND OPERATIONAL COSTS

One respondent felt that operational costs should decline over time as publication of the report is automated.

13.1.3 CASE FOR CHANGE AND CODE MANAGER'S RECOMMENDATION

Historically, the information was widely shared through the Governance Board of the SMICOP, and all parties were entitled to participate on the Governance Board and receive the reporting information. By publicising the data under the REC we are re-instating the industry's ability to receive the data and therefore we believe there is a case to recommend approval of this Change Proposal.

On the question of disclosure of party identities. Under the former arrangements, the identity of the Micro-business party was not disclosed, although it is suggested that over time parties became aware of which results applied to what party. No-one has made a strong argument to support moving to fully disclosing the party identity in the new REC reports, and in fact one respondent has argued that parties identities shouldn't be disclosed until they have had an opportunity to review and challenge the data.

However, the Performance Assurance Board's approach to the disclosure of party identities in the reporting catalogue will be applied to this report and therefore, to ensure a consistent approach is taken across the reports, the identity of the party will be included in the report. Parties will continue to receive a summary of the data to be published from the Performance Assurance team before the report is published, as they do now for the equivalent domestic reports.

13.1.4 IMPLEMENTATION APPROACH AND DATE

The implementation approach and date were acceptable to those who responded.

14 BUSINESS CASE ASSESSMENT

14.1 COST BENEFIT ANALYSIS

COSTS	DESIGN/ DEVELOPMENT COSTS	IMPLEMENTATION COSTS	ONGOING OPERATIONAL COSTS
CODE MANAGERS			£3480 PER ANNUM

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.

14.2 COST BENEFIT ANALYIS SUMMARY

The requirement on parties to provide the information is unchanged and therefore should not present any new costs to parties. No Party costs were provided in consultation responses.

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.

14.3 CASE FOR CHANGE - 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. The proposed solution delivers positive outcomes for Consumers.

The Change Proposal provides information that the industry was previously able to receive, and therefore this change looks to re-introduce this requirement.

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 the Change Panel:

- **APPROVES** the proposed change solution.
- **APPROVES** the proposed implementation approach.
- **APPROVES** the proposed implementation date on 4 November 2022.

16 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
EMAR CHANGE SET	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link
CONSOLIDATED CONSULTATION COMMENTS AND CODE MANAGER'S RESPONSES	Link
SMICOP GOVERNANCE BOARD MICRO-BUSINESS REPORT EXAMPLE	Link