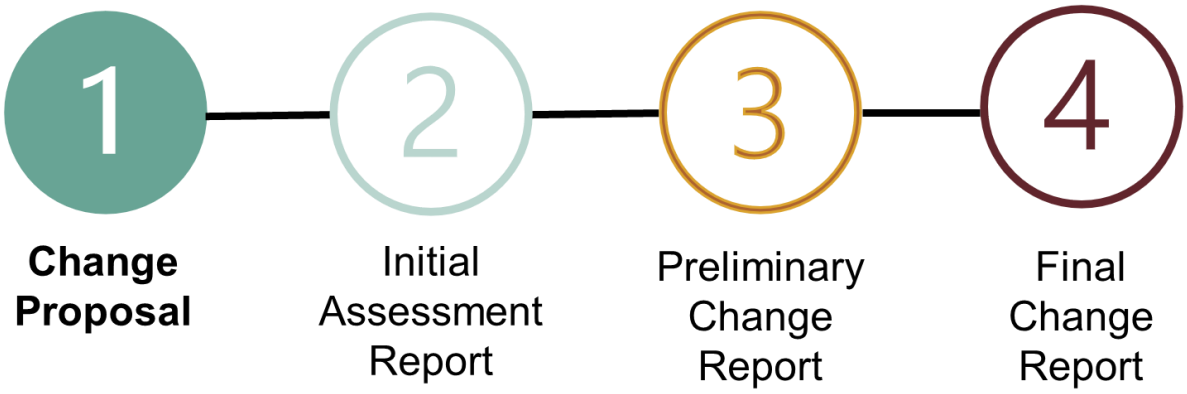
RETAIL ENERGY CODE

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# CHANGE PROPOSAL FORM (COPY)

## V0.1 FOR REVIEW

**PLEASE NOTE: THIS IS A COPY FOR INFORMATION ONLY. TO SUBMIT A CHANGE PROPOSAL PLEASE USE THE ONLINE FORM ON THE REC PORTAL.**




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| **PURPOSE:** | This is a copy of the Change Proposal Form submitted by the Proposer on the REC Portal. |
| **NOTES:** | The information in this form is subjective to the views of the Proposer at the time of submitting the form, and prior to formal assessment by the Code Manager.<br><br>The solution will not be finalised until the publication of the Preliminary Change Report. |
| **NEXT STEPS:** | The Code Manager will complete an initial assessment of the Change Proposal and determine if additional development or assessments is required.<br><br>The Initial Assessment Report will be published with the Change Proposal Plan and reviewed by the Change Panel. |

RETAIL ENERGY CODE

## 1 PERSONAL DETAILS

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| **PROPOSER NAME** *(Mandatory)* | Andy Knowles |
| **COMPANY** *(Optional)* | Utilita Energy Limited |
| **COMPANY TYPE** *(Optional)* | Energy Supplier |
| **TELEPHONE NUMBER** *(Optional)* | |
| **EMAIL ADDRESS** *(Mandatory)* | andyknowles@utilita.co.uk |

## 2 CHANGE PROPOSAL SUMMARY

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| **CHANGE PROPOSAL TITLE** *(Mandatory)* | Prepayment Credit Balance & Debt Transfer Processes |
| **WHAT IS THE ISSUE YOU ARE SEEKING TO SOLVE?** *(Mandatory)* | The way debt is transferred for prepayment Consumers is neither fit for purpose nor Consumer-centric and there is currently no mechanism to transfer credit balances when a Switch occurs.<br><br>The Debt Assignment Protocol (DAP) process is complex and cumbersome. Despite automation and streamlining implemented in 2019, DAP is not being used to the extent that it was designed for. Domestic Consumers with legacy Prepayment Meters or Smart Meters in prepayment mode are disadvantaged in their ability to actively engage in the market which is believed to be due to the complexity of DAP. The DAP process was not designed for, nor has it been reviewed, to specifically consider Smart Meters.<br><br>Consumers with Smart Meters operating in prepayment mode currently have any credit (calculated at the Switch date) refunded to them by the Losing Supplier. A refund can take up to 2 weeks after the final account position is determined - which can be up to 6 weeks after the Switch itself. The Consumer must top up the meter with the Gaining Supplier once the Switch has completed. This creates a cashflow issue for Consumers, including vulnerable Consumers, which may be seen as |

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| | unnecessary. It is detrimental to Consumers to have credit removed from the meter. Under the current economic conditions, with the associated increasing energy prices, it is imperative that Consumers, particularly vulnerable Consumers, have access to their money rather than needing to top up again to cover the energy used during the Losing Supplier's refund process or if required seek support from their new Supplier.<br><br>In addition, across debt and credit neither balance transfer process has been reviewed in consideration of the faster more reliable switching requirements.<br><br>There is therefore a need to review the balance transfer processes in full, with a view to developing an agile, efficient, Consumer-centric solution for smart and with aligned improvements to the non-smart processes. |
| **WHAT IMPACT IS THIS HAVING?** *(Mandatory)* | Prepayment Consumers are disadvantaged in their ability to engage with the market due to the existing arrangements. This extends to vulnerable Consumers, who are often on prepayment contracts.<br><br>The existing arrangements - requiring the Losing Supplier to refund a prepayment Consumer's credit - places an unnecessary financial burden on prepayment Consumers. By removing this financial burden on prepayment Consumers, the market can deliver increased engagement in prepayment Switching and a better Consumer experience. |
| **WHAT OUTCOMES DO YOU CONSIDER ARE NEEDED TO ACHIEVE AN EFFECTIVE SOLUTION?** *(Mandatory)* | Developing an agile, efficient, Consumer-centric solution for debt and credit for smart prepayment and with aligned improvements to non-smart processes.<br><br>A revised or new solution should enable prepayment Consumers with debt to better engage in the Energy market to access competitive tariffs and customer service on an equal footing with other Energy Consumers. |

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| **IS THERE ANY BACKGROUND INFORMATION OR CONTEXT TO THE CHANGE PROPOSAL THAT WOULD BE USEFUL?** *(Optional)* | The REC MRA and SPAA Transition Schedules set out the current DAP process.<br><br>Under REC V3.0 the DAP process will transfer to the Resolution of Consumer-Facing Switching and Billing Problems Schedule.<br><br>The REC Prepayment Arrangements Schedule sets out the Smart Prepayment Switch Process. |

## 3 CONSUMER IMPACTS

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| **WHICH CONSUMER TYPES WILL BE IMPACTED BY THIS CHANGE PROPOSAL?** *(Mandatory)* | ☒ Electricity<br>☒ Gas<br>☒ Domestic Prepayment<br>☐ Domestic Credit<br>☐ Microbusiness<br>☐ 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 CHANGE PROPOSAL 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>☐ Other (please provide details in the Additional information box below) |
| **ADDITIONAL INFORMATION** *(Optional)* | n/a |

## 4 CODE IMPACTS

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

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| **THE REC OR REC SCHEDULES?** *(Optional)* | ☒ Main Body<br>☒ Interpretations and Definitions Schedule<br>☐ Transition Schedule<br>☐ Accession Agreement<br>☐ Company Governance Schedule<br>☐ Change Management Schedule<br>☐ Performance Assurance Schedule<br>☐ Qualification and Maintenance Schedule<br>☐ Market Exit Schedule<br>☐ Charging Methodology Schedule<br>☒ Prepayment Arrangements Schedule<br>☐ Central Switching Service Schedule<br>☐ Data Access Schedule<br>☐ Energy Theft Reduction Schedule<br>☐ Transfer of Consumer Data Schedule<br>☐ Metering Operations Schedule<br>☐ Metering Accreditation Schedule<br>☐ Smart Meter Installation Schedule<br>☐ Secure Data Exchange Schedule<br>☐ Green Deal Arrangements Schedule<br>☐ Registration Services Schedule<br>☐ Related Metering Points Schedule<br>☐ Address Management Schedule<br>☐ Switching Data Management Schedule<br>☐ RMP Lifecycle Schedule<br>☐ Switching Service Management Schedule<br>☐ Resolution of Consumer Facing Switching and Billing Issues Schedule<br>☒ SPAA Transition Schedule<br>☒ MRA Transition Schedule<br>☐ Unbilled Energy Code of Practice<br>☐ Gas Metering Code of Practice<br>☐ MOCoPA<br>☐ ASPCoP<br>☐ Change Panel Terms of Reference<br>☐ Performance Assurance Board Terms of Reference |
| **ADDITIONAL INFORMATION** *(Optional)* | n/a |

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| **THE DATA SPECIFICATION?** *(Optional)* | ☒ Data Item Catalogue<br>☒ Market Message Catalogue<br>☐ Data Access Matrix<br>☐ Standards Definition |
| **ADDITIONAL INFORMATION** *(Optional)* | n/a |

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| **CENTRAL SYSTEMS OR REC SERVICES?** *(Optional)* | ☐ Electricity Enquiry Service<br>☐ Central Data Service Provider Further Services<br>☒ Secure Data Exchange Service<br>☐ Green Deal Central Charging Database<br>☐ Central Switching Service (CSS)<br>☐ CSS Certificate Authority<br>☐ Switching Operator<br>☐ Gas Retail Data Service<br>☐ Electricity Retail Data Service<br>☐ Gas Enquiry Service<br>☐ Energy Theft Tip Off Service (ETTOS) |
| **ADDITIONAL INFORMATION** *(Optional)* | Any changes to the DAP process may need to be incorporated into communication held via the SDES. |

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

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| | ☐ Other (please provide details in the Additional Information box) |
| **ADDITIONAL INFORMATION** *(Optional)* | There is a possibility that there could be impacts to the DCC, if the solution developed looks at using data held on the Smart Meter. |

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| **OTHER INDUSTRY CODES?** *(Optional)* | ☐ BSC<br>☐ DCUSA<br>☒ SEC<br>☐ UNC<br>☐ IGT UNC |
| **ADDITIONAL INFORMATION** *(Optional)* | There is a possibility that there could be impacts to the Smart Energy Code if the solution developed looks at using Smart Meter functionality. |

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| **DOES THIS CHANGE PROPOSAL IMPACT A SIGNIFICANT CODE REVIEW?** *(Optional)* | No |
| **ADDITIONAL INFORMATION** *(Optional)* | n/a |

## 5 CHANGE PROGRESSION

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| **DO YOU BELIEVE THIS CHANGE PROPOSAL MEETS THE CRITERIA FOR 'URGENCY' AND SHOULD BE PROGRESSED UNDER AN URGENT TIMETABLE?**<br><br>**IF SO, PLEASE PROVIDE JUSTIFICATION?** | No |

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| *(Optional)* | |
| **ARE THERE ANY REQUIRED TIMESCALES FOR THE DEVELOPMENT OR IMPLEMENTATION OF THIS CHANGE PROPOSAL?** *(Optional)* | The timing of this Change Proposal should consider CSS go live and the influence the new switching arrangements will have on any solution developed. |
| **ARE YOU AWARE OF ANY DEPENDENCIES ASSOCIATED WITH THE CHANGE PROPOSAL WHICH MAY IMPACT ITS PRIORITY OR PROGRESSION TIMETABLE?** *(Optional)* | We believe industry engagement will be required for the review and solution development for this CP. Timing of the progression of this CP should consider the capacity of REC Parties to participate whilst CSS go live is an industry priority.<br><br>CSS go live could also inform the outcomes of the review. |
| **DOES THIS CHANGE PROPOSAL RELATE TO AN EXISTING OR PREVIOUS CHANGE PROPOSAL?** *(Optional)* | Previous change proposals (under the MRA and SPAA) have looked to address the issues laid out above. These were rejected at the time due to cost and complexity of the proposed solution. At the time DAP was considered a working solution and prepayment through Smart Meters was at a very early stage. Due to the increase in prepayment Consumers on Smart Meters and CSS go live alternative solutions can now be considered. |

## 6 ATTACHMENTS

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