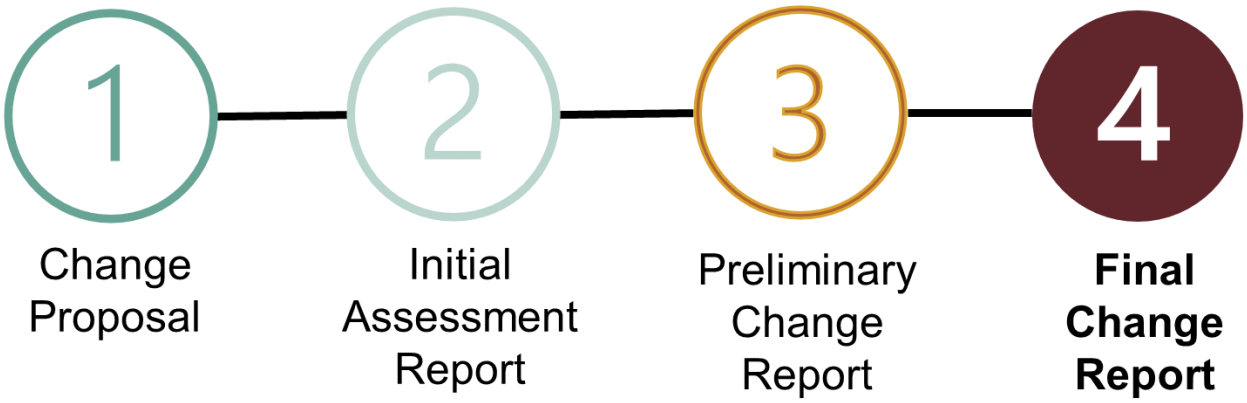
RETAIL ENERGY CODE

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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

R0039 - REVISED IMPLEMENTATION DATE FOR R0011

DOCUMENT VERSION	2.0
DATE ISSUED	17/05/2022
DOCUMENT APPROVAL STATUS	POST-VOTE

RESPONSIBLE COMMITTEE	CHANGE PANEL

LEAD ANALYST	GEMMA DIXON	EMAIL

CHANGE OVERVIEW

	High Impact: N/A
	Medium Impact: N/A
	Low Impact: Energy Suppliers, Generators and Capacity Providers

This Change Proposal has been raised to consider a change to the implementation date of Change Proposal R0011 - Reporting of Additional EMR Backing Data to Suppliers.

RESPONSIBLE COMMITTEE DECISION

On 17 May 2022 the REC Change Panel voted to **APPROVE** R0039 for implementation on 01 June 2022, which results in the implementation of R0011 being moved from 04 November 22 to 30 June 2023.

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RETAIL ENERGY CODE

BACKGROUND

1 SUMMARY

This Change Proposal has been raised by The Low Carbon Contracts Company (LCCC), which proposes a change to the implementation date of Change Proposal R0011 - Reporting of Additional EMR Backing Data to Suppliers which was approved on the 26 January 2022 for implementation on the 04 November 2022.

Balancing and Settlement Code (BSC) Change P435 "Enabling EMRS to undertake preparatory work for potential new settlement services to LCCC" has been raised, resulting in the need for a re-prioritisation of the EMR Settlement Ltd (EMRS) and LCCC delivery pipeline. Whilst the exact delivery strategy for any potential new schemes is still largely unknown at this stage, it is expected that the deployment date of any new scheme would be as early as April 2023.

Consequently, the LCCC has concluded that a November 2022 deployment date for the changes set out in R0011 would carry a significant risk for them. LCCC is not able to guarantee that they can meet the approved implementation date, due to the potential new settlement scheme – which would necessarily be given a higher priority than the backing data updates, at the direction of BEIS and Ofgem.

If LCCC were to proceed with the November 2022 release, there would be a significant risk to the following:

- Delivery of R0011.
- Delivery of Changes required for CfD AR4 contracts, to be deployed no later than February 2023.
- Delivery of a potential new settlement service no later than April 2023.

Each of these changes require a substantial amount of effort by LCCC and importantly the wider industry. LCCC assessment has shown that to deliver these three changes in the current schedule would pose a significant risk to EMRS's and LCCC's ability to deploy the changes set out above, at the agreed release dates.

The LCCC is aiming to mitigate any qualitative and functional delays to current committed regulatory changes such as the Contracts for Difference (CfD) AR4 new contracts, as well as the industry's ability to assess and develop the requirements for deployment of a (potential) new settlement service under BSCP 435.

The LCCC has reviewed its delivery pipeline for the next two years, due to the unprecedented potential of a BEIS large regulatory release. The LCCC has identified the best course of action would be to delay the implementation date for R0011 from November 2022 to June 2023.

2 PROBLEM STATEMENT

Following a review of its delivery pipeline, the LCCC has determined it is unable to deploy the changes required in time for the current approved implementation date of 04 November 2022. In order to communicate a revised date and to limit the impacts to industry parties and delivery partners, this change needs to be assessed as a matter of urgency.

3 USER STORIES

REF.	USER STORIES
MARKET PARTICIPANT USER STORIES	
M1	As a Market Participant, I need the industry Market Message/Data Specification to be implemented by all Parties at the same time so that I am able to validate EMRS invoices and credits without having to request additional supporting data or without my Market Messages failing.
M2	As LCCC I need to delay the implementation of R0011 so that changes to industry Market Message/Data Specification can be implemented by all Parties at the same time so that industry Market Messages don't fail validation between Parties.

PROPOSAL

4 SUMMARY OF ANALYSIS UNDERTAKEN

No specific analysis was carried out by the Code Manager for this Change Proposal, however, it is the analysis carried out by the LCCC which identified issues with the original implementation date of 04 November 2022 for R0011. The LCCC has determined it is unable to deploy the changes required in time for the current approved implementation date of 04 November 2022.

A February 2023 implementation date was explored with EMRS and LCCC, however this is also deemed to be untenable due to the predetermined implementation date for AR4 contracts for CfD which EMRS, as the settlement provider, must deliver for LCCC.

Moving the implementation date may detrimentally impact third party industry development however, the EMRS and LCCC feels this is mitigated by the re-prioritisation of its delivery pipeline, enabling it to commit to a later delivery date more confidently.

The EMRS would like to call out that its own R0011 development work is ready to begin in earnest from August 2022, and no additional work is required ahead of development starting.

5 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

5.1 REC PARTY IMPACT ASSESSMENTS

A Party Impact Assessment was issued on the 08 April 2022 and closed on the 23 April 2022; no responses were received.

6 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

6.1 RISKS AND ISSUES

No.	RISK	NOTES	MITIGATION
R1	Parties may have started development for R0011 ahead of this Change Proposal being raised.		Parties will be notified through the REC Communications, the Change Weekly Bulletin and through the REC Release Page of the REC Change Portal

6.2 ASSUMPTIONS AND DEPENDENCIES

No.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
A1	LCCC will start R0011 development work from August 2022, and no additional work is required ahead of development starting.		This will be confirmed by LCCC ahead of development starting in August.
A2	The change of implementation date for R0011 does not create issues for Parties or result in any material increase in costs.		No Impact Assessment responses were received however there is further opportunity for this to be validated during the consultation.

7 PROPOSED SOLUTION

Due to the issues identified by the LCCC the Proposed Solution is to change the implementation date for R0011 from 04 November 2022 to the 30 June 2023.

8 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	01/06/2022

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

For clarity, the implementation of this Change Proposal, results in the implementation date of R0011 being moved from 04 November 2022 to 30 June 2023.

9 CHANGE PATH

CHANGE PATH	SELF-GOVERNANCE

10 RESPONSIBLE COMMITTEE

RESPONSIBLE COMMITTEE	CHANGE PANEL

11 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 29 April 2022 to obtain views on the Preliminary Change report. No responses were received.

12 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

DOCUMENT	SECTION	AMENDMENT	REASON
Final Change Report	8 (Proposed Implementation Date)	Implementation Date updated from 30 June 2023 to 01 June 2022.	To reflect that R0039 changes the implementation date of R0011 to 30 June 2023, however the implementation date of R0039 should be earlier than the already approved implementation date of R0011

13 BUSINESS CASE ASSESSMENT

13.1 CASE FOR CHANGE

The Code Manager considers that there is a positive case for change on the basis that:

By not approving this Change Proposal, resulting in the implementation date for R0011 remaining as the 04 November 2022, there would be significant impact to affected Market Participants due to misalignment of Industry and LCCC implementation dates. Market Message failures would cause issues with invoice reconciliation.

14 CODE MANAGER'S RECOMMENDATION

Based on the evidence in section 13 of this report, the Code Manager considers a positive business case can be made for changing the implementation date of R0011 from 04 November 2022 to 30 June 2023.

The Code Manager recommends to REC Change Panel approval of:

- The proposed change solution.
- The proposed implementation approach.
- The proposed implementation date of 01 June 2022.

15 RESPONSIBLE COMMITTEE DECISION

On 17 May 2022, the REC Change Panel voted to:

- APPROVE the proposed change solution;
- APPROVE the proposed implementation approach; and
- APPROVE the proposed implementation date of 01 June 2022.

Subject to no appeal being raised before the closure of the appeals window on 31 May 2022, this Change Proposal shall be implemented on of 01 June 2022.

16 APPENDIX

CHANGE PROPOSAL	R0039 - Revised Implementation Date for R0011
RELATED CHANGE	R0011 - Reporting of Additional EMR Backing Data to Suppliers