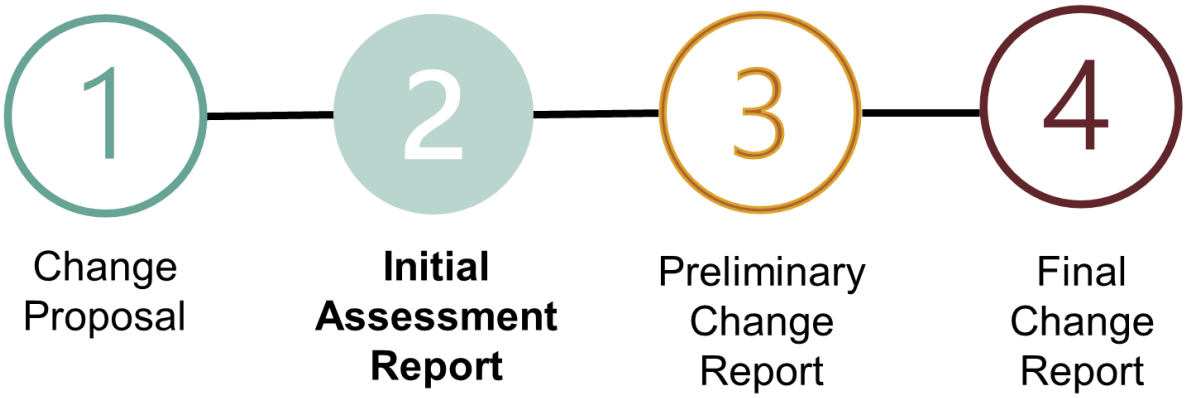
RETAIL ENERGY CODE

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

INITIAL ASSESSMENT REPORT



PURPOSE:	This is a written report from the Code Manager setting out their initial assessment of the Change Proposal and planned next steps for progressing the proposal.
NOTES:	The Initial Assessment Report is accompanied by a Change Proposal Plan, which describes the Code Manager's plan for progressing this Change Proposal. The solution will not be finalised until the publication of the Preliminary Change Report.
NEXT STEPS:	The Change Proposal Plan will set out the next steps for progressing this Change Proposal. The Code Manager will either propose additional activities to develop and/or assess the solution, or immediately prepare and publish the Preliminary Change Report.

RETAIL ENERGY CODE

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

INITIAL ASSESSMENT REPORT

R0039 - REVISED IMPLEMENTATION DATE FOR R0011

DOCUMENT VERSION	1.0
DATE ISSUED	01/04/2022
DOCUMENT APPROVAL STATUS	APPROVED BY REC CHANGE PANEL
RESPONSIBLE COMMITTEE	CHANGE PANEL

CHANGE OVERVIEW

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.

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

RETAIL ENERGY CODE

CONTENTS

1.	SUMMARY	4
2.	PROBLEM STATEMENT	4
3.	USER STORIES	5
4.	IMPACTS	5
5.	CHANGE PATH AND RESPONSIBLE COMMITTEE	6
6.	PRIORITY STATUS AND URGENCY	6
7.	SUMMARY OF CHANGE PROPOSAL PLAN	7
8.	GLOSSARY	8

LEAD ANALYST
GEMMA DIXON
EMAIL

RETAIL ENERGY CODE

1 SUMMARY

Change Proposal R0011 - Reporting of Additional EMR Backing Data to Suppliers was approved on the 26 January 2022 for implementation on the 04 November 2022.

This Change Proposal has been raised by The Low Carbon Contracts Company (LCCC), which proposes a change to this implementation date.

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.

As a result, the LCCC has ascertained that a November 2022 deployment date for the changes set out in R0011 would carry 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 behest 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 for 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 BEIS large regulatory release. The LCCC has identified the best course of action is 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.

4 IMPACTS

REC PARTIES AND SERVICE USERS
Energy Suppliers
CFD Settlement Services Provider
CM Settlement Services Provider
CFD Generators
Capacity Provider

RECCO AND REC CODE MANAGER
The Code Manager (Technical Design Authority)

A February 2023 implementation date was explored with EMRS and LCCC, however this is also deemed to be untenable due to the pre-defined 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 an extended delivery date.

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

LCCC believe that a delay to the delivery of R0011, may also allow industry parties time to assess the impacts of the (potential) new settlement service on their businesses.

4.1 CROSS CODE IMPACTS

This change does not have any cross-code impacts.

5 CHANGE PATH AND RESPONSIBLE COMMITTEE

CHANGE PATH	SELF-GOVERNANCE
RESPONSIBLE COMMITTEE	CHANGE PANEL

R0011 was approved by the REC Technical Expert Panel for implementation in November 2022 due to it being a Data Specification only change. However, we propose that this Change Proposal should be escalated to the REC Change Panel, with the REC Technical Expert Panel being kept informed, given that this will need to follow an urgent timetable and due to the potential impact to REC Parties and other Market Participants where they may have already initiated development for R0011.

6 PRIORITY STATUS AND URGENCY

PRIORITY STATUS	HIGH
URGENCY	URGENT

PRIORITISATION MATRIX

Significance	Score	Weighting
Legal/Regulatory Compliance	2	30
Strategic Direction	0	20
Cost Benefits / Value	0	10
Consumer Impacts	0	30
Operational Efficiency	0	10

Weighted Significance Score	1
Urgency	3
Overall Priority Score	**13**
Effort	0 - Minimal

Urgency

3	N/A	13	23	33
2	02	12	22	32
1	01	11	21	31
0	00	10	20	N/A

Significance

Priority Score	Priority Status
23 - 33	Critical
13 - 22	High
11 - 21	Medium
00 - 10	Low

PRIORITY STATUS
High

The Priority Status for this Change Proposal is 'High' based on a 'Weighted Significance' score of 1 and an 'Urgency' score of 3. This is broken down as below:

Significance:

Legal/Regulatory Compliance – a score of 2 to reflect the need for both REC Parties and EMR/LCCC to implement R0011 at the same time. Any mismatch in implementation dates

would result in disparity between the EMAR Data Specification, the data being produced by EMRS and the expected data being received by EMR Parties.

Urgency:

> This Change Proposal has been given an urgency score of 3 to reflect the need for it to be progressed imminently for it to achieve its required timetable.

7 SUMMARY OF CHANGE PROPOSAL PLAN

There is no Solution Development required for this Change Proposal. A Party Impact Assessment is required for which we feel 10 Working Days is sufficient. To reflect the urgency of this Change Proposal, the Preliminary Change Report will be issued for a 5 Working Day consultation on 29 April 2022, without first being presented to the REC Change Panel for review.

	FROM	TO
PARTY IMPACT ASSESSMENT	08/04/2022	22/04/2022
DEADLINE FOR ALTERNATIVE CHANGE PROPOSAL SUBMISSION	29/04/2022	29/04/2022
PRELIMINARY CHANGE REPORT ISSUED	29/04/2022	29/04/2022
CONSULTATION	29/04/2022	06/05/2022
FINAL CHANGE REPORT ISSUED	13/05/2022	13/05/2022
RESPONSIBLE COMMITTEE DECISION	17/05/2022	17/05/2022

8 GLOSSARY

TERM	DEFINITION
Data Specification	means the document of that name forming part of the Technical Specification.
Market Participant	means a participant in either or both of the gas and electricity markets of Great Britain, each of which is identified by a Market Participant Role.
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.
Retail Energy Code (REC)	means this Code, including its Schedules and the Technical Specification, maintained pursuant to the electricity supply licences granted under the Electricity Act 1989 and the gas supply licences granted under the Gas Act 1986, as such code is modified from time to time in accordance with its provisions
Working Day (WD)	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day that is a bank holiday in either or both England and Wales within the meaning of the Banking and Financial Dealings Act 1971.
Data Specification	means the document of that name forming part of the Technical Specification.
EMR	EMR Settlement Limited (EMRS) is a wholly owned subsidiary of Elexon Limited, which was set up in March 2014, after Department for Business, Energy & Industrial Strategy (BEIS), formerly known as Department of Energy & Climate Change (DECC) recognised Elexon having the experience and capabilities to be the EMR Settlement Services Provider. BEIS saw the similarities between the data, systems and processes that successfully operate under the BSC and those required for Contracts for Difference (CfD) and Capacity Market (CM).