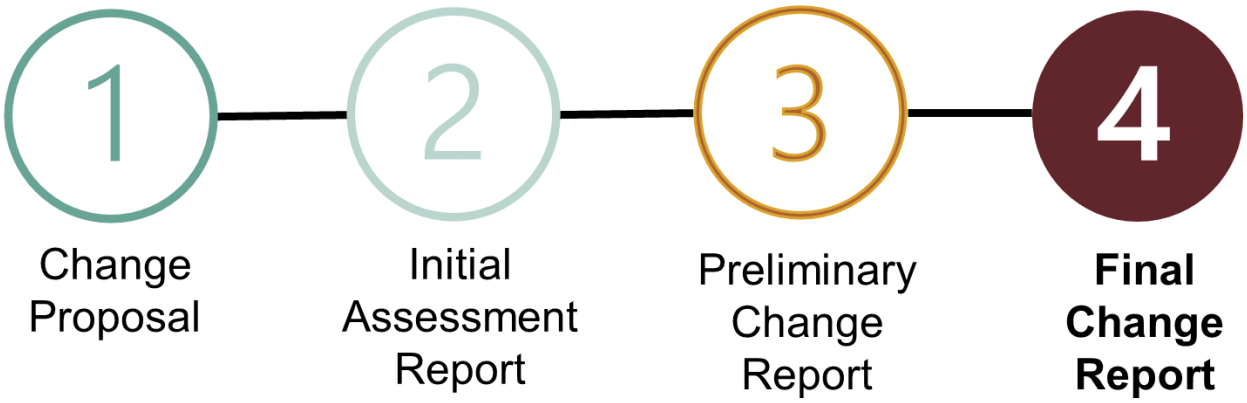
RETAIL ENERGY CODE

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Information is for public, unrestricted dissemination and publication.

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

R0041 – REC V3.0

DOCUMENT VERSION	3.0
DATE ISSUED	29/06/2022
DOCUMENT APPROVAL STATUS	POST-VOTE

RESPONSIBLE COMMITTEE	CHANGE PANEL

LEAD ANALYST	Ann Perry	EMAIL
TECHNICAL LEAD	Beth Brown	EMAIL

CHANGE OVERVIEW

	High Impact: Energy Suppliers, Distribution Network Operators, Gas Transporters, Metering Equipment Managers, Electricity Enquiry Service Users, Gas Enquiry Service Users, Gas Retail Data Service Provider, Electricity Retail Data Service Provider, Electricity Enquiry Service Provider, Gas Enquiry Service Provider, Central Switching Service Provider, CSS Certificate Authority, Switching Operator Service Provider
	Medium Impact: N/A
	Low Impact: N/A

This Authority Change Proposal seeks to introduce the processes, obligations and provisions underpinning the new switching arrangements into the REC, which have been developed and consulted on as part of Ofgem's Switching Programme.

RESPONSIBLE COMMITTEE DECISION

On 07 June 2022, the Change Panel voted unanimously to recommend to the Authority that Change Proposal R0041 should be **APPROVED** for implementation on CSS Go-Live Date, subject to the Authority making a determination.

RETAIL ENERGY CODE

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BACKGROUND

1 SUMMARY

Version 3.0 of the Retail Energy Code (REC v3.0) will come into force as part of Ofgem's Switching Significant Code Review[1] (SCR) with the introduction of the Central Switching Service (CSS) and the new Switching arrangements. The aim is to improve Consumers' experiences switching Energy Supplier, leading to greater engagement in the retail energy market.

This Authority Change Proposal was raised by the Gas and Electricity Markets Authority, pursuant to the Switching SCR and will ensure the appropriate obligations, processes and provisions are defined within the REC. Thereby enabling successful transition to enduring governance and operational arrangements.

The impacted REC products have been developed and extensively consulted on as part of the Switching Programme, therefore no further consultation activity was required as part of this Change Proposal, as set out by Ofgem in its letter to the Code Manager, dated 07 April 2022[2].

Ofgem's letter also set out the timetable for the Change Proposal, with implementation in line with the CSS Go-Live Date. The CSS Go-Live Date will be designated by the Authority and is currently expected to be 18 July 2022.

2 PROBLEM STATEMENT

Changes are required to the REC, to ensure the appropriate obligations, processes and provisions are defined within the REC at CSS go-live, enabling successful transition to enduring governance and operational arrangements developed as part of Ofgem's Switching Programme.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	As a Consumer, I want to be able to successfully switch my Energy Supplier with minimal delay or hassle, so that I can start to receive the service and tariff from my chosen Energy Supplier at the earliest opportunity.
MARKET PARTICIPANT / CODE BODY / REGULATOR USER STORIES	
M1	As the Authority, I want the necessary changes made to the Retail Energy Code to introduce the obligations, processes and provisions for the new switching arrangements, to enable the successful transition to enduring governance and operational arrangements.

[1] https://www.ofgem.gov.uk/publications/switching-significant-code-review-launch-statement-and-request-expressions-interest-participate-programme-workgroups

[2] Letter from the Authority to the REC Code Manager - REC V3.0 Authority Change Proposal

M2	As a REC Party, I want to be clear on the obligations I need to meet and the processes I need to follow post CSS go live, to ensure my organisation is ready for the introduction of the new switching arrangements.
M3	As a REC Service Provider, I want to be clear on the obligations, processes and service standards that I need to meet, to ensure my organisation is ready for the introduction of the new switching arrangements.

PROPOSAL

4 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

4.1 RISKS AND ISSUES

No risks or issues have been identified in relation to the progression and implementation of this Change Proposal.

4.2 ASSUMPTIONS AND DEPENDENCIES

No.	DEPENDENCY	NOTES	STATUS
D1	The Authority will need to decide on whether to approve or reject this Change Proposal, to enable implementation at CSS Go-live		Open

5 PROPOSED SOLUTION

This Change Proposal seeks to make the necessary updates to REC Schedules and products to ensure the appropriate obligations, processes and provisions are defined within the REC at the CSS Go-Live Date.

The tables below set out the impacted documents and type of change.

REC SCHEDULES	TYPE OF CHANGE
REC Main Body	Amended
Interpretation and Definitions	Amended
Change Management	Amended
Qualification and Maintenance	Amended
Charging Methodology	Amended
Data Access	Amended
Metering Operations	Amended
Market Exit	Amended
SPAA Transition	Removed

MRA Transition	Removed
Registration Services	New
Switching Data Management	New
Related Metering Points	New
Resolution of Consumer Facing Switching and Billing Problems	New
RMP Lifecycle	New
Switching Service Management	New
Address Management	New
Central Switching Service	New

SERVICE DEFINITIONS	TYPE OF CHANGE
Electricity Enquiry Service Definition	Amended
Electricity Retail Data Service Definition	New
Gas Enquiry Service Definition	New
Gas Retail Data Service Definition	New
Switching Operator Service Definition	New
CSS Certificate Authority Service Definition	New
Central Switching Service Definition	New

DATA SPECIFICATION	TYPE OF CHANGE
CSS Messages	New
Standards Definition	Amended
Market Message Catalogue	Amended/Removed Messages
SDEP messages	Amended
Data Access Matrix	Amended

CATEGORY 2 DOCUMENTS	TYPE OF CHANGE
CSS Certificate Profile	New
GES Supply Point Switching API documentation	New
GES Meter Asset Enquiry API documentation	New
GES Supply Point Enquiry API documentation	New
EES API Technical Specification	Amended
Performance Assurance Report Catalogue (PARC)	Amended

In addition to the new and amended products, the MRA and SPAA Transition Schedules will be removed, with applicable provisions transferring to the Consumer Facing Switching and Billing Schedule. The Supplier Meter Registration Service (SMRS) provisions that were originally part of the MRA, which are currently held in the MRA Transition Schedule, will be transferred to the Balancing and Settlement Code (BSC) as part of REC v3.0. BSC modification P436 will facilitate the transfer and deliver the consequential BSC changes relating to the Switching SCR.

The BSC modification was approved by the Authority on 17 May 2022, for implementation on the CSS Go-Live Date.

6 DRAFT LEGAL TEXT

The baselined versions of the impacted REC documents can be found on the Change Proposal page on the REC Portal here

7 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	CSS Go-Live Date

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

Ofgem has directed the timeline for this Change Proposal in its letter to the Code Manager, dated 07 April 2022. The Implementation Date for this Change Proposal will be the CSS Go-Live Date. This date will be determined by Ofgem on 30 June 2022, but is currently expected to be 18 July 2022.

8 BUSINESS CASE ASSESSMENT

The Switching Programme's overall objective is to improve Consumers' experience of switching, leading to greater engagement in the retail energy market, by designing and implementing a new switching process that is reliable, fast and cost-effective. This will build Consumer confidence and facilitate competition, delivering better outcomes for Consumers.

The implementation of the new and updated REC products, which sets out the obligations, and processes for the governance and operation of the new arranged, is essential to the successful delivery of Ofgem's Switching SCR and the enduring operation of the new Switching arrangements.

Ofgem's Full Business Case[3] for the Switching Programme estimates the overall monetised benefit to Consumers to be between £185m and £1,077m.

Ofgem's identified monetised benefits include the following factors relating to improved quality of service for Consumers:

- Direct benefits to Consumers from faster Switches and lower volumes of exceptions; and

[3] https://www.ofgem.gov.uk/publications/switching-programme-full-business-case

- Indirect benefits of higher Switching volumes likely to result from easier and more reliable Switching.

Ofgem's Full Business Case also identifies non-monetised benefits of:

- Benefits to Consumers of encouraging and enabling greater competition and innovation in the market; and
- Benefits of having a single switching system designed with future change in mind and that is better able to adapt to innovation.

As set out in the Full Business Case, Ofgem believes that the non-monetised benefits will outweigh the monetised ones.

9 CASE FOR CHANGE

The Code Manager believes that R0041 better facilitates the following REC Objectives:

OBJECTIVE	IMPACT TYPE
To ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement	Positive
To ensure customers interests and data is protected in the operation of the REC	Positive
To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs	Positive

The implementation of this Change Proposal, and the introduction of the products developed and/or updated as part of the Programme, are a fundamental part of the Switching Programme implementation and achievement of its aims and objectives, which are fully aligned with the REC objectives.

10 CODE MANAGER'S RECOMMENDATION

Based on the assessment in section 10 and 11 of this report, the Code Manager considers the REC Objectives would be better facilitated on the basis of this Change Proposal being implemented than would otherwise be the case.

The Code Manager recommends that the Change Panel recommend that the Authority:

- **APPROVE** the proposed change solution.
- **APPROVE** the proposed implementation approach.
- **APPROVE** the proposed implementation date of CSS Go-Live Date.

11 RESPONSIBLE COMMITTEE DECISION

On 07 June 2022 the Change Panel voted unanimously to recommend that the Authority:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach, and
- **APPROVE** the proposed implementation date of CSS Go-Live Date.

12 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link to Baselined REC V3.0 documents on the CP Page