RETAIL ENERGY CODE

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

FINAL CHANGE REPORT

R0047 – METERING CODE OF PRACTICE CONSOLIDATION REVIEW

CHANGE REPORT	FINAL
DOCUMENT VERSION	2.0
ISSUED DATE	15/11/2022
DOCUMENT APPROVAL STATUS	POST-VOTE

RESPONSIBLE COMMITTEE	CHANGE PANEL	CHANGE PATH	SELF GOVERNANCE
PRIORITY STATUS	HIGH	URGENCY	STANDARD

DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS	02/09/2022

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CHANGE OVERVIEW

This Change Proposal seeks to consolidate the current Metering Codes of Practice into a single set of arrangements that are simplified, proportionate and relevant, which can be monitored via a single audit scheme.

	High Impact: N/A
	Medium Impact: Energy Suppliers, Meter Equipment Managers (MEMs), Approved Meter Installers (AMIs), Meter Installers (MIs), Distribution Network Operators and Metering Scheme Auditors
	Low Impact: N/A

RESPONSIBLE COMMITTEE DECISION

On 15 November 2022 the Change Panel voted unanimously to **APPROVE** Change Proposal R0047 for implementation 01 April 2023.

RETAIL ENERGY CODE

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BACKGROUND

1 SUMMARY

Prior to the designation of the REC Version 2.0, on the 01 September 2021, metering activities were covered by five separate Metering Codes of Practice (CoP):

- Approved Meter Installer Code of Practice (AMICoP)
- Meter Asset Manager Code of Practice (MAMCoP)
- Meter Operator Code of Practice Agreement (MOCoPA)
- Automated Meter Reader Service Provider Code of Practice (ASPCoP)
- Smart Meter Installation Code of Practice (SMICoP).

These five CoPs were transitioned into the REC as four CoPs on a largely 'as is' basis. The CoPs are now known as:

- Gas Metering Code of Practice (MCoP): This CoP consolidated the metering regimes for AMICoP and MAMCoP;
- Electricity Metering Code of Practice (MOCoP): This CoP replaced MOCoPA;.
- Automated Meter Reading Service Provider Code of Practice (ASPCoP); and
- Smart Metering Installation Schedule (SMIS).

Each of the current CoPs has a separate scheme auditor that awards accreditation to Meter Equipment Managers (MEMs), Approved Meter Installers, AMR Service Providers and Suppliers. The four different auditors undertake these activities independently across the different schemes, which may mean that a REC Party may require multiple separate accreditations and audits.

This approach is time consuming and costly, therefore, in line with RECCo's objectives on simplicity and efficiency, RECCo completed a Metering Code of Practice Consolidation Review[1].

This Change Proposal will implement the changes identified during the review; a single consolidated Code of Practice with one overall metering scheme auditor.

2 PROBLEM STATEMENT

The current metering arrangements, with separate Metering Codes of Practice, contains duplication and inefficiencies. There are currently four different auditors that undertake accreditation and audit activities across the different schemes. This could mean that a REC Party may require multiple separate accreditations and site audits, resulting in unnecessary operational impacts and costs.

[1] https://www.retailenergycode.co.uk/metering-code-consolidation/

3 USER STORIES

REF.	USER STORIES
MARKET PARTICIPANT USER STORIES	
M1	As a DNO, MEM, AMI or MI, I want all CoP obligations to be clear and transparent, to ensure all obligations placed upon my organisation and operatives are understood and can be met in the most efficient way.
M2	As a MEM, AMI or MI, I want metering accreditation and audit activity to be streamlined and duplication removed, so that efficiency is increased, and unnecessary costs reduced.
M3	As an Energy Supplier, I want to be confident that my Appointed agents are compliant with all relevant CoP to ensure the safety of my Consumers.
M4	As RECCo, I want the metering scheme accreditation and audit arrangements to be managed and delivered in a cost efficient, effective and consistent approach, to ensure the arrangements deliver against the RECCo strategic aims.

PROPOSAL

4 SUMMARY OF ANALYSIS UNDERTAKEN

In line with its objectives on simplicity and efficiency, RECCo completed a Metering Code of Practice Consolidation Review. For more information on the review and the work undertaken by RECCo in this area please see the 'Metering Code Consolidation' area of the RECCo website here.

In developing its proposed solution, RECCo worked with the REC Metering Expert Panel (MEP), where they presented their progress, and subsequently, the output of the review and consolidation activity. During this time REC Parties were invited to review and comment on the earlier versions of the consolidated CoP.

At the MEP meeting on 12 July 2022, panel members approved the draft consolidated CoP. This enabled the Code Manager to carry out a wider industry assessment and consultation on the proposed changes. A summary of the review approach undertaken by RECCo is set out below:

Step 1

RECCo developed the 'CoP Project - Guiding Principles' and 'CoP Working Document' as the starting point for their review.

Step 2

Three main documents were created based on journey stages:

- a. CoP Pre-Installation
- b. CoP Installation
- c. CoP Post Installation.

The metering lifecycle was then broken down in to 22 lower-level stages, with each CoP Paragraph being assigned a lower-level stage.

Step 3

Draft documents were created, for initial review by MEP members and were then reviewed by wider interested stakeholders.

The documents created at this stage were:

- 1. CoP Pre-Installation Final Draft v1
- 2a. CoP Installation pt1 Final Draft v1
- 2b. CoP Installation pt2 Final Draft v1
- 3. CoP Post Installation Final Draft v1

Step 4

A total of 12 responses were received and all comments were assessed.

Step 5 and Step 6

Governance and Appendix content was finalised with the creation of the following documents:

- CoP governance
- CoP Appendix

All working documents referenced in steps 1 to 6 can be found on the REC Portal here. These are for information only, to provide a clear view of how the final proposed solution has been developed.

Step 7

The pre-impact assessment drafting of the proposed solution was completed using an Excel version of the obligations set out, which can be found here, and the draft legal text which can be found here.

5 PROPOSED SOLUTION

The proposed solution, which seeks to deliver the outcomes of the RECCo review, is to combine the existing four metering codes of practice into a single consolidated CoP, simplifying the arrangements and removing duplication:

The solution does not propose to introduce any new obligations but seeks to improve efficiency in the processes. Approval and implementation of this proposal will also facilitate the delivery of a single audit scheme and allow a single audit service provider to be appointed.

The proposed solution has been developed using a number of methods, including existing documentation reviews, highlighting obligation duplications, peer reviews and party feedback.

6 DRAFT LEGAL TEXT

The updated legal text changes to deliver the proposed solution to R0047 can be found here.

7 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

7.1 REC PARTY IMPACT ASSESSMENTS

A Party impact assessment was published by the Code Manager on 29 July 2022, inviting REC Parties to provide their responses by 19 August 2022.

Seven responses were received from Parties, one from a MEM, two from Energy Suppliers and four from Distribution Network Operators.

The responses received are contained in the consolidated impact assessment responses document, which can be found on the REC Portal here.

ENERGY SUPPLIERS	• Supportive of the intent of the proposal – to consolidate the existing metering CoPs • Recognise that the proposal does not introduce new obligations and is a consolidation of existing code • Agree that implementation of the proposal will benefit the industry by increasing the efficiency of the process and reducing the number of audits • Questions and clarifications were received on the Legal Text, which have been addressed by RECCo • Respondents agreed that the proposed implementation timeline can be met
DISTRIBUTION NETWORK OPERATORS	• Supportive of the intent of the proposal – to consolidate the existing metering CoPs • Recognise that the proposal does not introduce new obligations and is a consolidation of existing code • Agree that implementation of the proposal will benefit the industry by increasing the efficiency of the process and reducing the number of audits • Questions and clarifications were received on the Legal Text, which have been addressed by RECCo • Respondents agreed that the proposed implementation timeline can be met
METERING EQUIPMENT MANAGERS	• Supportive of the intent of the proposal – to consolidate the existing metering CoPs • Questions raised around the absence of information relating to the audit process and associated costs, advised that this is not covered by this CP and will be covered by a separate activity currently being progressed by RECCo. • Noted that costs and benefits of this CP could not be fully assessed until the outcome of the RECCo audit activity is known • Agreed that implementation timeframes could be met

8 DELIVERY AGAINST CHANGE PROPOSAL PLAN

To date all activity has been completed within the planned timescales.

The Change Proposal Plan can be found here.

9 KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

9.1 RISKS AND ISSUES

No risks or issues have been identified that would affect the progression of the Change Proposal.

9.2 ASSUMPTIONS AND DEPENDENCIES

NO.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
A1	No business or technical process of a REC party should be fundamentally impacted following updates to the Consolidated Metering Code of Practice.		Closed – validated through the Impact Assessment
A2	No contracts which reference the prevailing Codes of Practice should require revision or early termination.		Closed - The impact assessment and consultation did not highlight the need for any contract revisions.
A3	No new obligations will be introduced through this consolidation review		Closed – validated through the Impact Assessment
A4	Proposed changes are in keeping with the guiding principles of the Metering Code of Practice Consolidation Review Terms of Reference, ensuring the Code protects the needs of the REC party and the energy Consumer.		Closed - validated through the Consultation.
A5	New metering arrangements are flexible and can evolve as the REC develops.		Closed - validated through the Consultation.

A6	Appendix items in the current CoP, which do not relate to Paragraphs and obligations with the CoP, should not be included in the proposed solution and legal text. The retention of these appendix items will be progressed separately to ensure useful information or guidance is not lost.		Closed - The impact assessment and consultation did not highlight any concerns around those Appendix items not being included in the proposed legal text

NO.	DEPENDENCY	NOTES	STATUS
D1	Procurement of the new single metering scheme auditor to enable the transition to the new arrangement in line with the new scheme year in April 2023		Open

10 PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	01/04/23	**PROPOSED IMPLEMENTATION APPROACH**	BIG BANG

Implementation will be a via 'Big Bang' approach, with the new CoMCoP being implemented on 01 April 2023, in line with the new metering scheme year.

11 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 01 September 2022 to obtain views on the Preliminary Change report here.

In total seven responses were received from a combination of four DNOs, one Energy Supplier and two MEMs.

The key themes from these responses have been summarised and set out below. The consolidated consultation response document can be found here.

11.1 SUMMARY OF RESPONSES

11.1.1 COMMENTS ON THE SOLUTION AND LEGAL TEXT

Of the seven Parties that provided a response to the consultation, four expressed their support for the proposal. Three respondents provided comments on the legal text, these have been addressed with the publication of the final version of the CoMCoP legal text.

Two Parties commented that they were unable to fully respond to some of the consultation questions until detail of all of the consolidated regime arrangements were available. The detail of the audit costs and associated processes are outside of the scope of this proposal.

11.1.2 BENEFITS RELATIVE TO IMPLEMENTATION AND OPERATIONAL COSTS

Three Parties recognised that that consolidation of the metering codes would streamline and simplify the audit process, with one of those Parties identifying that the consolidation would lead to a reduction in costs and time spent on audit activities.

One Party stated that as they were only interested in one code and the obligations have not changed, they saw no benefits to them in the consolidation.

Three Parties commented that they saw no or minimal cost with the implementation of this change. Two further Parties suggested that they could not comment on the cost to implement this change without the cost of the consolidated metering audit and associated processes being known.

11.1.3 CASE FOR CHANGE AND CODE MANAGER'S RECOMMENDATION

Six respondents support the Code Managers assessment of the case for change and the minded to position to implement Change Proposal R0047 on 01 April 2023.

11.1.4 IMPLEMENTATION APPROACH AND DATE

The same six parties also supported the Code Manager's assessment of the Change Path and that this change should be subject to self-governance and approval by the Change Panel.

12 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

DOCUMENT	SECTION	AMENDMENT	REASON
Final Change Report	Assumptions	Validation of assumptions	Assumptions validated through the consultation have been closed
CoMCoP	Appendix	Definitions section renamed to Glossary Duplications with the Schedule 1 – Interpretations and Definitions	To ensure there is differentiation between defined terms set out in Schedule 1 and glossary terms to be included within CoMCoP

Minor changes to the legal text were made, in response to comments. A breakdown of the changes can be found here.

The most significant change to the legal text is the removal of Paragraph 15.2.2 (c), which related to displaying an expiry date on identification cards. This was highlighted as a new obligation by respondents to the consultation.

The inclusion of this additional obligation was not aligned to the design principles set out by RECCo, to not introduce any new or additional obligations. This requirement will be taken forward as a separate Change Proposal, if required.

13 BUSINESS CASE ASSESSMENT

13.1 COST BENEFIT ANALYSIS

	BENEFITS DESCRIPTION
INTANGIBLE BENEFITS	Increased Consumer confidence in metering practices.
	Improved experience for industry with a simpler and more efficient process.
	A single Service provider for audits.
	A single point of contact and visit for audits.
	Consumer benefits including consistent governance rules, consistent protection of consumer data and consistent provisions for vulnerable customers.

Although the benefits are not easily quantifiable and measurable, intangible benefits have been identified, which will improve the efficiency of audit arrangements, as well as see a reduction in supplier management of multiple Service Providers. This Change Proposal is being progressed to simplify the metering arrangement and increase efficiency in line with RECCo's wider objectives.

The current arrangements, with separate Metering Codes of Practice, contains duplication and inefficiencies. There are currently four different auditors that undertake accreditation and audit activities across the different schemes. This may result in a REC Party requiring multiple accreditations and site audits, resulting in unnecessary operational burdens and costs.

The proposed solution will consolidate the four existing codes into a single metering Code of Practice. Removing duplication and creating a more efficient set of documents will ensure that Parties have clarity and confidence in the governance of metering arrangements in the REC.

14 CASE FOR CHANGE

The Code Manager considers that there is a positive case for change to implement this Change Proposal, on the basis that:

- The proposed solution is fully formed and appropriately resolves the problem statement.
- There are no identified additional costs to the market in implementing the proposed solution.
- A positive business case can be made, as detailed in section 13 of this report.

15 CODE MANAGER'S RECOMMENDATION

Based on the evidence in sections 13 and 14 of this report, the Code Manager considers a positive business case can be made for implementing this solution and recommends that the Change Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 01 April 2023.

16 RESPONSIBLE COMMITTEE DECISION

This report was discussed at the REC Change Panel meeting on 15 November 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 April 2023.

17 APPENDIX

CHANGE PROPOSAL	Link to Change Proposal Page
LEGAL DRAFTING	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link
CONSOLIDATED CONSULTATION COMMENTS	Link

18 GLOSSARY

TERM	DEFINITION
Accreditation	means the process by which a Metering Equipment Manager is recognised as fulfilling the requirements of one or more Metering Codes of Practice, which may include an audit process in accordance with the Metering Accreditation Schedule. "Accredited", “Approved” and similar expressions shall be interpreted accordingly.
Appointed	means, in respect of a Supplier Agent and for a particular RMP, that the Supplier Agent is recorded against that RMP under this Code (or the BSC or UNC, as applicable); or, in respect of a period of time, that the Supplier Agent is or was so recorded during that period. "Appoint" and "Appointment" shall be interpreted accordingly.
Automated Meter Reading Service Providers Code of Practice for Gas Meter (ASPCoP)	means the Code of Practice of that name against which relevant service providers are assessed, pursuant to the Metering Accreditation Schedule.
Code of Practice for Gas Metering Equipment Managers and Approved Meter Installers (MCoP)	means the Metering Code of Practice against which gas MEMs and Meter Installers are assessed, pursuant to the Metering Accreditation Schedule.
Consumer	means any person supplied (or seeking a supply) of Energy at an RMP (whether or not that person also exports or is seeking to export electricity at an RMP).
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier
Meter Operative	means an employee, agent or subcontractor appointed by the MEM.
Metering Accreditation Schemes Schedule	means REC Schedule 15
Metering Equipment Manager (MEM)	means, as applicable, either: (a) for electricity, the Meter Operator Agent (as defined in the BSC) Appointed by an Electricity Supplier; or (b) for gas, the Meter Asset Manager (as defined in the UNC) Appointed by the Gas Supplier.
Metering Operation Code of Practice (MOCoP)	means the Meter Operator Code of Practice, against which relevant MEMs are assessed pursuant to the Metering Accreditation Schedule.

Qualification and Maintenance Schedule	means REC Schedule 9.
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
Smart Meter Installation Schedule	means REC Schedule 16