RETAIL ENERGY CODE

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

INITIAL ASSESSMENT REPORT

R0049 – INTELLECTUAL PROPERTY RIGHTS AND SERVICES DATA MAIN BODY CHANGES

DOCUMENT VERSION	V1.0
DATE ISSUED	03/07/2024
DOCUMENT APPROVAL STATUS	APPROVED

RESPONSIBLE COMMITTEE	CHANGE PANEL	CHANGE PATH	SELF-GOVERNANCE
PRIORITY STATUS	LOW	URGENCY	STANDARD

DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS	08/08/2024

LEAD CHANGE ANALYST



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CHANGE OVERVIEW

This Change Proposal has been raised by the Centralised Registration Services (CRS) Provider to address risks they have identified associated with Clause 13 of the REC Main Body, relating to Intellectual Property Rights (IPR). Operational realities that have emerged since the REC go-live mean that Clauses drafted prior to go-live may now need to be reviewed to reflect current CRS practices.

	High Impact: N/A
	Medium Impact: CRS Provider
	Low Impact: REC Parties & Non-REC Party Service Users

1 BACKGROUND

The Centralised Registration Service (CRS) IPR provisions in the REC were drafted before the designation of v1.0, and primarily seek to deal with the CRS Services IPR as if it were developed and owned by the CRS Provider (or its contractors). Following the REC go-live, however, much of the CRS IPR provision is built upon third party-owned software or platforms/services that are available to the market.

Notwithstanding certain concessions drafted in Clause 13.5 of the REC Main Body at designation, the scope of CRS Service IPR refers to terms and concepts which are now obsolete, and do not reflect the working reality of the REC. These clauses should be amended to clarify what the CRS Provider owns or is responsible for, to alleviate the existing ambiguity.

Additionally, there is potential uncertainty as to the scope of "CRS Services IPR" and "RECCo Services IPR". This is because they are defined by the REC Main Body, rather than within Schedule 1 – Interpretations & Definitions. Therefore, this Change seeks to explore whether these definitions should instead be defined in Schedule 1 (Interpretations and Definitions) to the Code, as well as the proposed Changes to the REC Main Body.

2 PROBLEM STATEMENT

There is uncertainty as to the scope of the various classes of Intellectual Property Rights (IPR) covered in Clause 13 of the REC Main Body (including the extent to which any IPR may exist in certain data, and the use of obsolete terms and concepts). As a result, there is a risk that the relevant industry stakeholders referred to in Clause 13 are unable to grant the licences and indemnities as described in that Clause.

The current wording of Clause 5.3 of the REC Main Body requires amendments to ensure it correctly reflects the relationship between CRS Provider and RECCo, the services being provided and the entitlement to input VAT as a recipient of the CRS.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	N/A – No tangible Consumer impact identified.
MARKET PARTICIPANT USER STORIES	
M1	As a REC Participant (Service Provider/User), I want the Code to clearly stipulate IPR requirements, so that CRS provisions and arrangements are readily identifiable.

4 IMPACTS

CONSUMERS
N/A

REC SERVICE PROVIDERS
Centralised Registration Service Provider

RECCO / REC CODE MANAGER
N/A

REC PARTIES AND SERVICE USERS
Energy Suppliers
DNOs/GTs
MEMs
Non-REC Party Service Users

REC DOCUMENTS / PRODUCTS
REC Main Body
Schedule 1 – Interpretations & Definitions

The Code Manager does not anticipate significant impact for REC Parties as a result of changes to CRS Provider IPR provision within the REC Main Body. However, due to the central role within the REC played by the CRS Provider, the Code Manager will conduct a Party Impact Assessment to determine if there are any tangible impacts on REC Parties & Service Users.

The Code Manager has confirmed that the CRS Provider, whilst impacted, will not need to undergo dedicated Impact Assessment activity. Whilst they are the proposer and the primary beneficiary of any proposed changes to the REC Main Body, their central role within the development of the proposed legal drafting means that they are already aware of their impact and will not need to develop or implement process changes to accommodate the proposed solution.

5 CROSS CODE IMPACTS

No cross-code impact has been identified.

6 CHANGE PATH AND RESPONSIBLE COMMITTEE

CHANGE PATH	SELF-GOVERNACE

RESPONSIBLE COMMITTEE	CHANGE PANEL

This Change will follow the Self-Governance path. The REC Baseline Statement determines that changes to the REC Main Body and Schedule 1 – Interpretations & Definitions fall under the responsibility of Change Panel.

RETAIL ENERGY CODE

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Direct	0	27	0
	Retail Markets Impact	Retail Risk(s)	0	17	0
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	1	7	7
		Legal and Regulatory Compliance	1	14	14
Resource	Complexity / Effort / Duration		2	9	18
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	Contribution to/ Alignment with RECCo's Forward Work Plan		0		0
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity	0	10	0
				Overall Priority Score (rounded)	48

Priority Score	Priority Status
171 and above	Critical
151 to 170	High
101 to 150	Medium
0 to 100	Low

Priority Status	LOW
Change Proposal Type	STANDARD

Urgent Change Proposals meet the Criteria for Urgency as set out by Ofgem

This Change has a priority status of Low, based on a score of 48. This score has been calculated as follows:

- Complexity/Effort/Duration has been ranked as two, indicating moderate complexity. This is reflective of the work conducted on developing the draft legal text prior to the publication of this Initial Assessment, and the need for industry wide impact assessment activity.
- The following metrics have been ranked as one, indicating minor impact/improvement:
    - Operational Effectiveness & Efficiency
    - Legal & Regulatory Compliance
    - Alignment with REC Objectives

  This is because the proposed amendments to the REC Main Body and Schedule 1 – Interpretations & Definitions would all contribute minor improvement to the above metrics by grounding current regulation in the operational reality of a substantial REC Service Provider.
- All other metrics have been ranked as zero.

8 SUMMARY OF CHANGE PROPOSAL PLAN

This Change will only consider modifications to the REC Main Body and Schedule 1 – Interpretations & Definitions, in the context of the CRS Provider's IPR. If at any time during the progression of this Change information arises that causes us to re-consider, we reserve the right to amend the scope of this change.

	FROM	TO
PARTY IMPACT ASSESSMENT	04/07/2024	26/07/2024
PRELIMINARY CHANGE REPORT AND CONSULTATION ISSUED	08/08/2024	08/08/2024
CONSULTATION	08/08/2024	30/08/2024
FINAL CHANGE REPORT ISSUED	10/09/2024	10/09/2024
RESPONSIBLE COMMITTEE DECISION	17/09/2024	17/09/2024
APPEAL WINDOW CLOSURE	01/10/2024	01/10/2024

9 GLOSSARY

TERM	DEFINITION
Centralised Registration Service	means the services provided pursuant to Condition 15 (Incorporation, delivery and provision of the Centralised Registration Service) of the DCC Licence, being the services provided under this Code by the CSS Provider, Switching Operator, CSS Certificate Authority and, until the end of the Post Implementation Period only, the Core Systems Assurance Provider and the CSS Systems Integrator.
CRS Services IPR	means the intellectual property rights described as such in clause 13 of the Main Body of this code.
Intellectual Property Rights*	means broad categorical description of a set of intangible assets that are owned by a company or individual. It's legally protected from outside use or implementation without consent. An intangible asset is a non-physical asset.

*Definition not found in Schedule 1- Interpretations & Definitions and has been sourced from here.