RETAIL ENERGY CODE

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01	Initial Assessment Report
02	Preliminary Change
03	Final Change Report

INITIAL ASSESSMENT REPORT

R0064 – CREATING A METER OPERATOR AGENT AND MOCOP INSTALLER

DOCUMENT VERSION	1.0
DATE ISSUED	09/12/2022
DOCUMENT APPROVAL STATUS	APPROVED

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

DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS	09/06/2023

LEAD CHANGE ANALYST



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CHANGE OVERVIEW

This Change Proposal seeks to clearly differentiate the metering obligations, and the associated qualification obligations, set out in the REC for the various electricity metering service providers.

	High Impact: Metering Equipment Managers
	Medium Impact: REC Code Manager Market-wide Half Hourly Settlement Programme
	Low Impact: n/a

RETAIL ENERGY CODE

1 BACKGROUND

Prior to the Retail Code Consolidation, electricity metering providers were either classified as Meter Operator Agent or Meter Operation Code of Practice (MOCoP) Meter Installers. At Retail Code Consolidation these organisations were merged into a new category, Metering Equipment Manager (MEM), which also included gas metering providers. Whilst both types of electricity metering providers can provide metering services, not all MEM obligations in the REC apply to both types of providers. At a high level, meter installers are not responsible for sending Market Messages and Enquiry Service updates.

The Code Manager, through Performance Assurance operational activities, has identified that the merger of the two types of metering entity means that:

- All organisations have the same Maintenance of Qualification obligations, even though the nature of how they interact with central systems is very different.
- Obligations within Schedule 14 - Metering Operations do not make it clear which organisations are expected to comply with them, and for which it is irrelevant.
- Guidance to new entrants is harder for users to follow, as the distinction between MEMs that do and do not provide Market Messages is more complex than if processes were split out.
- It is more complex targeting Parties with the relevant information as they are currently not separately identified, for example in the Party Register.
- Not distinguishing between these organisation types could have an impact on the Market-wide Half Hourly Settlement (MHHS) Programme.
- Several MEMs are not appropriately submitting performance data or are required to provide nil returns.

This Change Proposal seeks to clarify the obligations of each type of metering provider by reintroducing the distinction of the two roles within the MEM category.

2 PROBLEM STATEMENT

The REC currently groups all electricity metering providers within the MEM category. Previously, under the Master Registration Agreement (MRA) they were either classified as Meter Operator Agent or MOCOPA Meter Installers. Not all MEM obligations in the REC are intended to apply to both types of organisations. This can result in ambiguity on the obligations set out in the REC that need to be met by the different types of electricity MEM, not being able to target information to REC Parties appropriately and MEMs not being clear on their new entrant or Maintenance of Qualification obligations.

3 USER STORIES

REF.	USER STORIES
MARKET PARTICIPANT USER STORIES	
M1	As an electricity MEM, I want to be clear on the obligations I need to meet, based on the type of metering activity I complete. I want to meet my obligations efficiently and effectively and without the need to seek additional input/advice from the Code Manager.
M2	As the Code Manager, I want to be able to differentiate between electricity MEMs based on the type of activity they are responsible for and their interaction with central systems, so that I can engage appropriately. I need to be clear on the obligations that each MEM should be meeting and the performance reporting that should be provided.

4 IMPACTS

CONSUMERS
n/a

REC SERVICE PROVIDERS
EES Service Provider

REC PARTIES AND SERVICE USERS
Electricity Metering Equipment Managers

REC DOCUMENTS / PRODUCTS
Schedule 1 - Interpretations
Schedule 14 - Metering Operations
Schedule 9 – Qualification and Maintenance
Data Access Matrix

RECCO / REC CODE MANAGER
The Code Manager – Operational Account Managers
The Code Manager – Performance Assurance

The Code Manager expects to be impacted under its stakeholder management, performance assurance and market entry operations. RECCo's management of Accession Agreements may also be impacted if the solution results in changes to how MEMs accede to the REC.

Changes to Performance Assurance operations are likely to have consequential impacts on the Performance Assurance Board.

As part of the solution development a full review of the REC Schedules will be completed to ensure that there are no additional impacts not yet identified during the initial assessment. Any additional requirements will be considered during impact assessments.

A consequential Category 3 change may also be needed as the following REC Products could be impacted:

- Retail Risk Register
- Performance Assurance Report Catalogue
- REC Entry Assessment Forms
- Entry Assessment Information Pack
- REC Service User Categorisation
- REC and BSC Joint Storyboards
- Electricity Enquiry Service User Guide - MEM and Supplier Agent

Changes may also be required to the REC Portal or documents hosted on the REC Portal, such as changing Market Entry Forms and updates to the Party Register.

5 CROSS CODE IMPACTS

No consequential impacts on other codes have been identified during the initial assessment for this Change Proposal. However, the Change Proposal supports and is of interest to the Market-wide Half Hourly Settlement (MHHS) Programme. The MHHS Programme is currently developing the requirements for how qualification and maintenance will be managed under the Retail Energy Code (REC) and Balancing and Settlement Code (BSC) to support the MHHS operating model. This is being managed under Performance Assurance Working Group (PAWG). The changes being made under this Change Proposal will need to be taken into consideration during development of the MHHS requirements under the PAWG and during the overall code drafting activity.

6 CHANGE PATH AND RESPONSIBLE COMMITTEE

CHANGE PATH	SELF GOVERNANCE	RESPONSIBLE COMMITTEE	CHANGE PANEL

This Change Proposal impacts various REC Schedules and documents which come under the responsibility of different REC Committees. The decision on the Change Proposal should therefore be made by the Change Panel.

7 PRIORITY STATUS AND URGENCY

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	0	25	0
	Retail Markets Impact	Innovation and Market Arrangements	2	15	30
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	2	5	10
		Legal and Regulatory Compliance	2	13	25
Resource	Complexity / Effort / Duration		2	8	15
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	15	8
	Contribution to/ Alignment with RECCo's Forward Work Plan		1		8
Urgency *(The need to progress a change to meet a targeted date)*		Significant Code Reviews	2	20	40
				Overall Priority Score (rounded)	135

Priority Status	MEDIUM
Change Proposal Type	STANDARD

The Priority Status for this Change Proposal is 'Medium' based on a weighted prioritisation score of 135. This is broken down as below:

Impact:

- Retail Markets – a score of 2 as this change directly contributes to improvements in the management of market arrangements, specifically market entry and performance of REC Parties in the developing Retail Market
- REC Party and REC Service Provider Operational Effectiveness – a score of 2 to reflect the moderate impact the change will have on the operational effectiveness of the Code Manager's Performance Assurance operations; the operational effectiveness of MEMs as REC Parties; and, the ability of the Code Manager to support and monitor MEMs in meeting their obligations under the REC
- REC Party and REC Service Provider, Legal and Regulatory Compliance - a score of 2 to reflect the improvement resulting from the relevant obligations being clear across the two types of electricity MEM

Resource:

- A score of 2 - this is a standard change that needs solution development and impact assessment, and consequently, it is likely to take between six and ten months to reach a decision.

Strategic alignment:

- Objectives of the REC – a score of 1 due to the minor contribution to the continuous improvement and efficiency in the operation of the REC
- RECCo Forward Workplan – a score of 1 due to the alignment with the key outcome to work closely with the MHHS Programme, Ofgem, REC Parties and our own service providers to ensure that the retail arrangements governed under the REC are properly prepared to facilitate the timely delivery of MHHS and that our Parties and consumer can benefit from them

Urgency:

- This Change Proposal has been given an urgency score of 2 against a Significant Code Review to reflect the need for it to be progressed within the next 3 months for it to achieve a timetable that will result in development and implementation that fits with that of MHHS go live in 2024

8 SUMMARY OF CHANGE PROPOSAL PLAN

A period of analysis and solution development will be required for this Change Proposal. At this stage, we anticipate that a standard 15 Working Day Party impact assessment and a 15 Working Day period for industry consultation will be sufficient. A period of Service Provider Impact Assessment is also needed and has been factored into the plan for this Change Proposal.

	FROM	TO
SOLUTION ANALYSIS AND DEVELOPMENT	03/01/2023	21/02/2023
SERVICE PROVIDER IMPACT ASSESSMENT	24/02/2023	05/04/2023
PARTY IMPACT ASSESSMENT	21/04/2023	16/05/2023
PRELIMINARY CHANGE REPORT ISSUED	09/06/2023	09/06/2023
RESPONSIBLE COMMITTEE REVIEW	20/06/2023	20/06/2023
CONSULTATION	23/06/2023	14/07/2023
FINAL CHANGE REPORT ISSUED	04/08/2023	04/08/2023
RESPONSIBLE COMMITTEE DECISION	15/08/2023	15/08/2023
APPEAL WINDOW CLOSURE	31/08/2023	31/08/2023

9 GLOSSARY

TERM	DEFINITION
Accession Agreement	means an agreement by which a Party (other than the Original Parties) agrees to be bound by this Code, in the form set out in the Accession Agreement Schedule.
Electricity Enquiry Service (EES)	means the service described as such in the EES Service Definition.
Maintenance of Qualification	means the process of re-assessing a Market Participant's status as Qualified after a Material Change or as part of a change or removal of Controlled Market Entry Conditions, as further described in the Qualification and Maintenance Schedule
Market Message	means a structured communication sent between two Market Participants in the form and with the content required (and as otherwise specified) by the Data Specification.
Market-wide Half Hourly Settlement (MHHS)	Market Wide Half-Hourly Settlement will utilise the ability of smart meters to record a customer's usage during each half hour period to move domestic and small non-domestic customers to half-hourly settlement. Medium and larger non-domestic consumers have been settled half-hourly since BSC modification P272.
MHHS Target Operating Model (TOM)	The Target Operating Model is the settlement arrangements designed by the Design Working Group (DWG), and further developed by the Code Change and Development Group (CCDG) and the Architecture Working Group (AWG) that will facilitate Market-wide Half Hourly Settlement.
Master Registration Agreement (MRA)	means the Master Registration Agreement referred to in the Electricity Supply Licences.
Metering Equipment Manager	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.
Meter Operation Code of Practice (MOCoP)	means the Meter Operator Code of Practice, against which relevant MEMs are assessed pursuant to the Metering Accreditation Schedule
Performance Assurance	means the activities undertaken by the Code Interpretations 57 Copyright 2022 Retail Energy Code Company Manager and the REC PAB in accordance with the Performance Assurance Schedule.
Retail Risk	means a risk that retail energy consumer outcomes and the effectiveness of the retail market are measurably and significantly

	degraded by a failure by a REC Service User or REC Service Provider to meet the objectives, standards and core processes under this Code.