RETAIL ENERGY CODE

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

INITIAL ASSESSMENT REPORT

R0115 – FREQUENCY AND CONTENT OF CSS REPORTS ON SWITCHING VIA THE DCC PORTAL

DOCUMENT VERSION	V2.0
DATE ISSUED	05/12/2023
DOCUMENT APPROVAL STATUS	APPROVED

RESPONSIBLE COMMITTEE	CHANGE PANEL	CHANGE PATH	AUTHORITY DETERMINED
PRIORITY STATUS	MEDIUM	URGENCY	STANDARD

DEADLINE FOR ALTERNATIVE CHANGE PROPOSALS	15/12/2023

LEAD CHANGE ANALYST



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CHANGE OVERVIEW

Current reports received by Ofgem from the Switching Operator (SO) cannot differentiate between internal transfers between MPIDs and therefore Switching numbers may be largely inflated. By receiving improved reports weekly, Ofgem will be able to monitor events closer to real-time and allow for a more accurate review of external Switching.

	High Impact: Ofgem
	Medium Impact: N/A
	Low Impact: Consumers, Suppliers

1 BACKGROUND

Ofgem currently receives Switching reports from the Switching Operator (SO), however, these reports were not able to differentiate internal transfers among MPIDs belonging to the same Supplier and therefore the total number of Switches may be substantially inflated.

Following the energy crisis, Ofgem is under more pressure to increase market monitoring capabilities. By receiving weekly reports via the SO, Ofgem will be able to monitor events closer to real-time and updated reports will allow for a more accurate review of external Switching. Current monitoring work includes individual Suppliers' Switching gains/losses and enables checks on whether Suppliers are compliant with sale restriction bans, can identify Suppliers with dormant licences which become active and understand impacts on the Market Stabilisation Charge (MSC) for Suppliers when they gain customers.

2 PROBLEM STATEMENT

Without appropriate reporting, Ofgem cannot effectively monitor the level of Switching in the market in a timely and accurate manner. This hinders its ability to act and inform any policy interventions in relation to market stability.

3 USER STORIES

REF.	USER STORIES
CONSUMER USER STORIES	
C1	As a Consumer, I want Ofgem to effectively monitor the market to ensure the right policy decisions are made.
MARKET PARTICIPANT USER STORIES	
M1	As Ofgem, I need accurate and timely data to ensure that I can make informed decisions on any interventions in relation to market stability.

4 IMPACTS

CONSUMERS
All Consumers (indirect)

REC SERVICE PROVIDERS
Switching Operator

REC DOCUMENTS /PRODUCTS
Switching Operator Service Definition

REC PARTIES AND SERVICE USERS
Suppliers (indirect)

The Code Manager anticipates minimal impacts to REC Parties and Consumers. Consumers will indirectly benefit from Ofgem having access to more suitable data for making policy

decisions. Suppliers will also indirectly be impacted from Ofgem being able to see enhanced Switching information.

5 CROSS CODE IMPACTS

No cross-code impacts have been identified.

6 CHANGE PATH AND RESPONSIBLE COMMITTEE

CHANGE PATH	AUTHORITY DETERMINED

RESPONSIBLE COMMITTEE	CHANGE PANEL

The Switching Operator Service Definition is under the responsibility of the Technical Expert Panel. However, due to the nature of the Change Proposal, the Code Manager believes that the Change Panel would be the more appropriate Responsible Committee.

7 PRIORITY STATUS AND URGENCY

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Direct	0	25	0
	Retail Markets Impact	Retail Risk(s)	2	15	30
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	0	5	0
		Legal and Regulatory Compliance	0	13	0
Resource	Complexity / Effort / Duration		2	8	15
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		2	15	15
	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 (High Priority activity)	3	20	60
				Overall Priority Score (rounded)	120

Priority Status	MEDIUM
Change Proposal Type	STANDARD

R0115 has a priority score of 120 (Medium) and an urgency score of 3. The urgency score of 3 was provided due to the wide-ranging impact improved information will have for Ofgem with regards to market trends and Market Participant compliance.

A resource score of 2 was given as this change has a moderate level of complexity and a relatively long lead time of 6 months to implementation. A score of 2 was also given for Retail Risks as the improved information will give better insights into Switching across the market.

8 SUMMARY OF CHANGE PROPOSAL PLAN

At the time of publishing this report, R0115 has a fully formed solution and the Service Provider Impact Assessment period closed on 24/11/2023.

The change will proceed directly to the Preliminary Change Report and Consultation on 15/12/2023 without a Party Impact Assessment as the solution will not have any technical impacts for REC Parties or change in obligations.

The Consultation will span for an extended period of 22 Working Days as it will run over the Christmas period.

The Final Change Report will then be published on 26/01/2024 in preparation for recommendation to the Authority at the Change Panel meeting on 06/02/2024. It will then be sent to the Authority for determination within 2WDs.

	FROM	TO
SERVICE PROVIDER IMPACT ASSESSMENT	20/10/2023	24/11/2023
PRELIMINARY CHANGE REPORT AND CONSULTATION ISSUED	15/12/2023	15/12/2023
CONSULTATION	15/12/2023	19/01/2024
FINAL CHANGE REPORT ISSUED	26/01/2024	26/01/2024
RESPONSIBLE COMMITTEE DECISION	06/02/2024	06/02/2024
SEND TO AUTHORITY FOR DETERMINATION	08/02/2024	08/02/2024

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9 GLOSSARY

TERM	DEFINITION
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.
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.
Market Participant Identifier (MPID)	means the unique identifier by which a Market Participant is identified.
Market Stabilisation Charge (MSC)	means, in respect of a Domestic Consumer who has Switched, the amount (in £, if any) payable by the Gaining Supplier in accordance with Condition 24A of the Gas Supply Licence or Condition 24A of the Electricity Supply Licence (or, if such an amount is payable under both the Gas Supply Licence and the Electricity Supply Licence, the aggregate of such amounts). In the case of gas and/or electricity (as applicable) such amount is calculated as the product of: the Gas Market Stabilisation Charge Value and the Domestic Consumer's Annual Quantity; or the Electricity Market Stabilisation Charge Value and the Domestic Consumer's Estimated Annual Consumption.
Switch	means a change to the Registered Supplier for an RMP.
Switching Operator	means the DCC in performing the role of managing the co-ordination of the CSS Provider and the other Switching Data Service Providers, including the mechanisms for Users to report incidents and access service management support, from the CSS Go-Live Date.