RETAIL ENERGY CODE

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CHANGE PROPOSAL FORM (COPY)

PLEASE NOTE: THIS IS A COPY FOR INFORMATION ONLY. TO SUBMIT A CHANGE PROPOSAL PLEASE USE THE ONLINE FORM ON THE REC PORTAL.

1 PERSONAL DETAILS

PROPOSER NAME *(Mandatory)*	Chris Stock
COMPANY *(Optional)*	Retail Energy Code Company
COMPANY TYPE *(Optional)*	Code body
TELEPHONE NUMBER *(Optional)*	02037 506 627
EMAIL ADDRESS *(Mandatory)*	chris.stock@retailenergycode.co.uk

2 CHANGE PROPOSAL SUMMARY

CHANGE PROPOSAL TITLE *(Mandatory)*	Levelisation Reconciliation Electricity Single-rate/Multi-register Split
WHAT IS THE ISSUE YOU ARE SEEKING TO SOLVE? *(Mandatory)*	The levelised price cap and levelisation rates are currently calculated by Ofgem for each fuel, region and payment method and are provided to the reconciliation operator and the industry on a quarterly basis, published alongside the cap level for that period. The energy price cap (default tariff) calculates different maximum charges at nil consumption ('standing charges') for consumers on single-rate and multi-register electricity metering arrangements in each region and as a result, different levelisation allowances have been calculated for both single-rate and multi-register consumers within the price cap. As outlined in the Levelisation Policy decision document, however, the reconciliation system which supports the levelisation policy, has initially only been designed to accommodate one (single-rate) set of

	levelisation rates per region and fuel type to be used when calculating the daily differential rates and thus the reconciliation amounts.
WHAT IMPACT IS THIS HAVING? *(Mandatory)*	Ofgem is only able to notify one rate per fuel, per region per payment type to RECCo due to the design of the system. Ofgem therefore notify RECCo of the electricity single rate standing charge for each payment type for each region, alongside a weighted blended levelisation rate. This will mean that the amount recovered via reconciliation will, under the existing Payment Method Levelisation (PML) Reconciliation arrangements, be slightly below that intended by the policy. For most suppliers the impact per customer is +/- £0.01 per customer per year. The impact range for all suppliers is between +£0.09 and -£0.12 per customer per year
WHAT OUTCOMES DO YOU CONSIDER ARE NEEDED TO ACHIEVE AN EFFECTIVE SOLUTION? *(Mandatory)*	A redesign of the supplier inputs, the base calculation, and system outputs to process two sets of levelisation rates (i.e. both single-rate and multi-register metering arrangements), for all future PML Reconciliation as well as for the months from April to December 2024. A retrospective recalculation of the months from April 2024 to December 2024 using multi-register portfolios and standing charges to determine the difference in billing as compared to the base system calculation. The difference to be actioned where appropriate by the conclusion of the 2024/25 Financial Year.
IS THERE ANY BACKGROUND INFORMATION OR CONTEXT TO THE CHANGE PROPOSAL THAT WOULD BE USEFUL? *(Optional)*	See: Ofgem letter to Suppliers where this was first raised to industry: Open letter to domestic energy suppliers on the calculation of electricity base levelisation rates | Ofgem. Ofgem policy decision: Decision on adjusting standing charges for prepayment customers | Ofgem Webinar: R0147 Prepayment Levelisation Pre-Release Webinar (14 March 2024) - 2024-03 (March) - REC Portal Schedule 31: EMAR - Payment Method Levelisation Reconciliation (digital-navigator.azurewebsites.net) Ofgem Standing Charges: Get energy price cap standing charges and unit rates by region | Ofgem

3 CONSUMER IMPACTS

WHICH CONSUMER TYPES WILL BE IMPACTED BY THIS CHANGE PROPOSAL? *(Mandatory)*	☒ Electricity ☒ Gas ☒ Domestic Prepayment ☒ Domestic Credit ☐ Microbusiness ☐ Small and Medium Enterprise (SME) ☐ Industrial and Commercial (I&C) ☐ Other (please specify in the Additional information box below)
WHAT IMPACT WILL THIS CHANGE PROPOSAL HAVE FOR THESE CONSUMERS? *(Mandatory)*	☐ Switching experience ☒ Billing accuracy ☐ Trust and confidence ☐ Safety ☐ Security of supply ☒ Ability to pay ☐ On site experience ☐ Other (please provide details in the Additional information box below)
ADDITIONAL INFORMATION *(Optional)*	

4 CODE IMPACTS

Does this Issue relate to or impact:

THE REC OR REC SCHEDULES? *(Optional)*	☐ Main Body ☐ Interpretations and Definitions Schedule ☐ Transition Schedule ☐ Accession Agreement ☐ Company Governance Schedule ☐ Change Management Schedule ☐ Performance Assurance Schedule ☐ Qualification and Maintenance Schedule ☐ Market Exit Schedule ☐ Charging Methodology Schedule ☐ Prepayment Arrangements Schedule

	☐ Central Switching Service Schedule ☐ Data Access Schedule ☐ Energy Theft Reduction Schedule ☐ Transfer of Consumer Data Schedule ☐ Metering Operations Schedule ☐ Metering Accreditation Schedule ☐ Secure Data Exchange Schedule ☐ Green Deal Arrangements Schedule ☐ Registration Services Schedule ☐ Related Metering Points Schedule ☐ Address Management Schedule ☐ Switching Data Management Schedule ☐ RMP Lifecycle Schedule ☐ Switching Service Management Schedule ☐ Resolution of Consumer Facing Switching and Billing Issues Schedule ☐ SPAA Transition Schedule ☐ MRA Transition Schedule ☐ Unbilled Energy Code of Practice ☐ Consolidated Metering Code of Practice (CoMCoP) ☐ Change Panel Terms of Reference ☐ Performance Assurance Board Terms of Reference
ADDITIONAL INFORMATION *(Optional)*	Alterations to Schedule 31 are required to support this change

THE DATA SPECIFICATION? *(Optional)*	☐ Data Item Catalogue ☐ Market Message Catalogue ☐ Data Access Matrix ☐ Standards Definition
ADDITIONAL INFORMATION *(Optional)*	

CENTRAL SYSTEMS OR REC SERVICES? *(Optional)*	☐ Electricity Enquiry Service ☐ Central Data Service Provider Further Services ☐ Secure Data Exchange Service

	☐ Green Deal Central Charging Database ☐ Central Switching Service (CSS) ☐ CSS Certificate Authority ☐ Switching Operator ☐ Gas Retail Data Service ☐ Electricity Retail Data Service ☐ Gas Enquiry Service ☐ Energy Theft Tip Off Service (ETTOS)
ADDITIONAL INFORMATION *(Optional)*	

REC PARTIES AND/OR MARKET PARTICIPANTS? *(Optional)*	☒ Energy Suppliers ☐ Distribution Network Operators ☐ Gas Transporters ☐ Metering Equipment Managers ☐ DCC ☐ Shippers ☐ Data Collectors ☐ Data Aggregators ☐ Green Deal Providers ☐ Green Deal Finance Parties ☐ Meter Asset Providers ☐ AMR Service Providers ☐ EES Users ☐ GES Users ☐ GDCC Users ☐ Other (please provide details in the Additional Information box)
ADDITIONAL INFORMATION *(Optional)*	Domestic Suppliers only

OTHER INDUSTRY CODES? *(Optional)*	☐ BSC ☐ DCUSA ☐ SEC ☐ UNC ☐ IGT UNC
ADDITIONAL INFORMATION *(Optional)*	This Change Proposal is not expected to have any consequential impacts upon the other industry codes.

DOES THIS CHANGE PROPOSAL IMPACT A SIGNIFICANT CODE REVIEW? *(Optional)*	No
ADDITIONAL INFORMATION *(Optional)*	

5 CHANGE PROGRESSION

DO YOU BELIEVE THIS CHANGE PROPOSAL MEETS THE CRITERIA FOR 'URGENCY' AND SHOULD BE PROGRESSED UNDER AN URGENT TIMETABLE? **IF SO, PLEASE PROVIDE JUSTIFICATION?** *(Optional)*	Yes, this Change Proposal must be implemented no later than January 2025, as agreed with Ofgem. In the absence of the alterations set out in this proposal, Domestic Suppliers will be unable to accurately recover the full extent of their costs in relation to PPM consumers, adversely affecting competition.
ARE THERE ANY REQUIRED TIMESCALES FOR THE DEVELOPMENT OR IMPLEMENTATION OF THIS CHANGE PROPOSAL? *(Optional)*	The solution must be live by January 2025. All Credit Notes and Invoices for recalculation sent with appropriate deadlines set for payment prior to 31st March 2025
ARE YOU AWARE OF ANY DEPENDENCIES ASSOCIATED WITH THE CHANGE PROPOSAL WHICH MAY IMPACT ITS	

PRIORITY OR PROGRESSION TIMETABLE? *(Optional)*	
DOES THIS CHANGE PROPOSAL RELATE TO AN EXISTING OR PREVIOUS CHANGE PROPOSAL? *(Optional)*	Yes, R0147 Prepayment Levelisation

6 ATTACHMENTS

ATTACH/PROVIDE ANY SUPPORTING DOCUMENTS TO BE SUBMITTED WITH THE FORM	Solution Document Legal text Data submission templates (3)