RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	**Final Recommendation**

CHANGE REPORT

R0236 REC PARTY AUTO DE-ACCESSION PROPOSAL

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	27 June 2025
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	**CHANGE PATH**	Self-governance
PRIORITY STATUS	Low	**URGENCY**	Standard
IMPACTED STAKEHOLDERS	All REC Parties, REC Code Manager		

LEAD ANALYST (SOLUTION LEAD)	ASSURANCE LEAD	SUBJECT MATTER EXPERT
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OVERVIEW

This Change proposes that any Party who has acceded to the REC but not Qualified within 12 months of accession and not contacted the Code Manager within 6 months to confirm they intend to pursue Qualification can be expelled from the REC.

RESPONSIBLE COMMITTEE DECISION

On 03 June 2025, in line with the Code Manager recommendation, the REC Change Panel voted to:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 27 June 2025.

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BACKGROUND

1 SUMMARY

It has been identified that there are around 80 Parties who have acceded to the REC, who have not Qualified in any role and have not contacted the Code Manager in six months or longer.

This Change proposes that any Party who has acceded to the REC but not Qualified within 12 months of accession and not contacted the Code Manager within six months to confirm they intend to pursue Qualification can be expelled from the REC.

This should reduce confusion for Parties when looking at which other organisations have Qualified for roles under the REC.

2 PROBLEM STATEMENT

There are many Parties who have acceded to the REC but not Qualified within 12 months of accession, and who have not contacted the Code Manager within six months. This may cause confusion for Parties in knowing which other organisations have Qualified for roles under the REC.

3 IMPACTS

REC PARTIES AND SERVICE USERS
All REC Parties

REC DOCUMENTS / PRODUCTS
REC Main Body
Schedule 19 - Market Exit and Supplier of Last Resort

RECCO / REC CODE MANAGER
REC Code Manager

MHHS DESIGN
No impact

MHHS DATA SPECIFICATION
No impact

MHHS CODE DRAFTING
Indirect impact

There is indirect impact to the MHHS Code Drafting as this change proposes amendments to Schedule 19 – Market Exit and Supplier of Last Resort but does not directly touch or impact the MHHS drafting.

4 CROSS-CODE IMPACTS

There are no cross-code impacts associated with this change.

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5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**14-Jan-25**	**10-Apr-25**
	Legal Review	January	February
	Code Manager Assessment	February	March
	Impact Assessment	March	April
Change Proposal		**11-Apr-25**	**16-Jun-25**
	Solution Refinement	April	April
	Business Case Assessment	April	April
	Consultation	April	May
	Final Determination	May	June
Voting		**17-Jun-25**	**17-Jun-25**
	Appeal Window	18-Jun-25	01-July-25

6 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	0	27	0
	Retail Markets Impact	Innovation and Market Arrangements	1	17	17
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	3	7	20
		Legal and Regulatory Compliance	1	14	14
Resource	Complexity / Effort / Duration		3	9	28
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		0	17	0
	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)	78

Priority Status	LOW
Change Proposal Type	STANDARD

SOLUTION

7 PROPOSED SOLUTION

The solution proposes amendments to the REC Main Body section 17 – Ceasing to be a Party, and to Schedule 19 - Market Exit and Supplier of Last Resort.

The REC Main Body section 17 amendments detail that a Party can be expelled from the REC as long as the following conditions are met:

- the Party has not Qualified for one or more roles under the REC;
- it has been 12 months (or longer) since the Party acceded to the REC;
- it has been 6 months (or longer) since the Party last confirmed to the Code Manager that the Party intends to become Qualified; and
- the Code Manager gives notice to the Party.

It also specifies that any Party expelled from the REC in this way can re-apply to become a Party.

The amendments to Schedule 19 - Market Exit and Supplier of Last Resort are limited to sections 1 Introduction and 2 Expulsion of Parties, and are consequential to the changes to the REC Main Body to ensure there are no conflicts within the Code.

8 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0236 can be found here.

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PRELIMINARY ASSESSMENT

9 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

9.1 SERVICE PROVIDER IMPACT ASSESSMENTS

No Service Provider impact assessment was required as part of this change.

The REC Code Manager Operational Account Manager and Performance Assurance teams will ensure their operational processes have been updated to align with this change as part of release readiness activities.

9.2 REC PARTY IMPACT ASSESSMENTS

A Party impact assessment was conducted from 06 to 28 March 2025. A total of two responses were received, from one Distribution Network Operator (DNO) and one Energy Supplier. Both were submitted non-confidentially and have been published here.

ENERGY SUPPLIERS	• The Energy Supplier respondent agreed with the solution and legal text proposed by the Code Manager. • They confirmed they agree the proposed solution addresses the problem. • They suggested an impact assessment be carried to understand the number of Parties who could potentially be removed from the REC and have to re-qualify. The Code Manager confirmed this was circa 80 Parties in the previous Change Report, but added further detail that was predominately Safe Isolator Providers (SIPs). • The Energy Supplier could not confirm costs at this time, but confirmed they saw improved customer service as a benefit to their business and agreed that the change should be made to the Code.
DISTRIBUTION NETWORK OPERATORS	• The DNO respondent agreed with the solution and legal text proposed by the Code Manager. • They confirmed they agree the proposed solution addresses the problem. • The DNO confirmed they saw no costs from the implementation of this change and that they agreed the change should be made to the Code. • They queried whether there were any cross-code implications from this change on the BSC and Market Domain Data (MDD) or Industry Standing Data (ISD). This change has been discussed at Cross Code Steering Group (CCSG) and no impact has been flagged by the BSC, but the Code Manager will raise this again in this forum.

10 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

No risks, assumptions, issues or dependencies have been identified as part of this change.

11 BUSINESS CASE ASSESSMENT

11.1 COSTS

There are no central systems costs associated with this change.

The DNO respondent to the Party impact assessment confirmed they saw no costs associated with the implementation of this change. The Energy Supplier respondent said they were unable to confirm costs at this time.

11.2 BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
INCREASED CLARITY WITHIN THE PARTY REGISTER	While the Party Register has separate tabs for Parties who have acceded to the REC and Parties who have Qualified under various Consolidated Metering Code of Practice (CoMCoP) roles, it can be confusing working out what roles a Party has Qualified under (if any). Allowing the Code Manager to remove Parties who have acceded but not Qualified as any role within 12 months and not contacted the Code Manager within six months will remove unnecessary noise from the Party Register and increase clarity. This Party Register is publicly available for Consumers to see, so this increase in clarity will also help Consumers looking for businesses to contract with (for example, SIPs).

11.3 COST BENEFIT ANALYSIS

As there are no central system costs and any costs to Parties are expected to be minor or nil, and there is an intangible benefit associated with this change, the Code Manager believes there is a positive case for change.

12 CASE FOR CHANGE

The Code Manager considers there is a positive case for change for implementing this Change Proposal on the basis that the proposed solution:

- Appropriately resolves the problem statement;
- Has no central system costs, no to minimal costs to Parties and has proportionate effort required for implementation; and
- Introduces clarity as to which Parties have Qualified under the REC.

13 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 11 April 2025 to obtain views on the Change Report (For Consultation). In total one response was received from a DNO. The key themes from this response have been summarised and set out below.

13.1 SUMMARY OF RESPONSES

The respondent was supportive of the implementation of this Change Proposal, and of the assessment made by the Code Manager.

13.2 COMMENTS ON THE SOLUTION AND PROPOSED LEGAL TEXT

The respondent agreed with the proposed solution and provided no comments on the legal text.

13.3 CASE FOR CHANGE AND CODE MANAGER'S RECOMMENDATION

The respondent agreed with the Code Manager's assessment of the costs and benefits for this Change Proposal and agreed with the Code Managers minded to position to recommend that this Change Proposal is approved. They agreed with the Code Managers assessment that this Change Proposal should be subject to self-governance voting by the REC Change Panel.

13.4 IMPLEMENTATION DATE AND APPROACH

The respondent agreed with the Code Managers proposed implementation approach (big bang) and date (27 June 2025).

14 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

No amendments were made to the solution or proposed legal text following consultation.

15 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link
CONSOLIDATED CONSULTATION COMMENTS	Link

16 GLOSSARY

TERM	DEFINITION
Qualified	means: (a) for a REC Service, that a Party or an organisation which has entered into an Access Agreement has successfully qualified (and remains qualified) to use that REC Service under the Qualification and Maintenance Schedule; or (b) For the role of Electricity Supplier, Gas Supplier, Distribution Network Operator, Gas Transporter, Meter Asset Manager or Meter Operator Agent, that a Party has successfully qualified (and remains qualified) in that role under the Qualification and Maintenance Schedule. The words “Qualify”, “Qualification” and similar expressions shall be interpreted accordingly.
REC Parties	means each 'Party' under and as defined in the Retail Energy Code. ‘REC Parties’, ‘Parties’ and similar expressions shall be interpreted accordingly.