RETAIL ENERGY CODE

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

CHANGE REPORT

R0257 – CHANGE TO REC FOR DATA PROCESSING OUTSIDE OF EEA

DOCUMENT VERSION	1.0
PROPOSED IMPLEMENTATION DATE	07 NOVEMBER 2025
IMPLEMENTATION APPROACH	BIG BANG

RESPONSIBLE COMMITTEE	CHANGE PANEL	**CHANGE PATH**	SELF-GOVERNANCE
PRIORITY STATUS	MEDIUM	**URGENCY**	STANDARD
IMPACTED STAKEHOLDERS	ALL REC PARTIES		

LEAD ANALYST (SOLUTION LEAD)	SUBJECT MATTER EXPERT
FLO MONEA	GLENN SHEERN
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OVERVIEW

This Change Proposal is seeking to remove an additional layer of authorisation outlined in the REC Main Body that REC Parties are required to carry out prior to any REC Data being processed or transferred outside of the European Economic Area (EEA).

CODE MANAGER RECOMMENDATION

In line with the Code Manager recommendation, the REC Change Panel:

- **APPROVED** the proposed change solution;
- **APPROVED** the proposed implementation approach; and
- **APPROVED** the proposed implementation date of 07 November 2025.

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BACKGROUND

1 SUMMARY

Currently, the REC Main Body Section 20 contains information regarding the processing of data outside of the EEA. The current process outlined contains a step which requires approval from the REC Board to be obtained before any REC Data is transferred or processed outside the EEA or the United Kingdom.

2 PROBLEM STATEMENT

This Issue was raised by RECCo's Data Protection Officer who noted that the addition of the extra layer of approval delays the process for Parties in processing this data, and it does not align with the Balancing and Settlement Code (BSC), where board approval is not required.

3 IMPACTS

CONSUMERS
No impact

REC SERVICE PROVIDERS
No impact

RECCO / REC CODE MANAGER
REC Board

REC PARTIES AND SERVICE USERS
All REC Parties who process data outside EEA.

REC DOCUMENTS / PRODUCTS
REC Main Body

MHHS
No impact

4 CROSS-CODE IMPACTS

No cross-code impact identified. This Issue is looking to align with other codes, such as the BSC.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**03 Jun-25**	**14 Jul-25**
	Legal Review	**Complete**	**Complete**
Change Proposal		**15 Jul-25**	**15 Sep-25**
	Business Case Assessment	**Complete**	**Complete**
	Consultation	**Complete**	**Complete**
	Solution Refinement	**Complete**	**Complete**
	Final Determination	**Complete**	**Complete**
Voting		**16 Sep-25**	**16 Sep-25**
	Appeal Window	September	September

6 STAKEHOLDER ENGAGEMENT

As the proposed solution is only looking at removing an additional layer of authorisation and aligning the process with other codes, the Code Manager did not conduct a Party impact assessment and only issued an industry consultation.

7 PRIORITY STATUS AND URGENCY

PRIORITISATION MATRIX

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Indirect	1	27	27
	Retail Markets Impact	Retail Risk(s)	1	17	17
	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		3	9	28
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	Contribution to/ Alignment with RECCo's Forward Work Plan		1		8
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity	0	10	0
				Overall Priority Score (rounded)	108

Priority Status	MEDIUM
Change Proposal Type	STANDARD

This Change Proposal has been assigned a priority status of medium, based upon a weighted prioritisation score of 108.

8 SUMMARY OF ANALYSIS UNDERTAKEN

The Code Manager conducted a review of processes within other codes to understand the approach taken when their respective Parties require data to be processed outside of the EEA, see below;

Clause 4.9.8 of the BSC states that the relevant BSC Personal Data shall not transfer or process outside of the United Kingdom and the EEA unless the BSC Data Processor has taken such measures to ensure the transfer is in compliance with Data Protection Legislation. As noted in the Change Proposal form by the proposer, there is no requirement to obtain BSC Board approval.

Sections I (1.7 and 1.8) of the Smart Energy Code (SEC) contain information regarding data processing. The information contained only refers to ensuring that any data processing should comply with Data Protection Legislation; there is no mention of any steps required ahead of the data being processed by a Party.

Similarly, the Independent Gas Transporters' Uniform Network Code (IGT UNC), Part K (sections 23-25) provides information around data processing and data disclosure. Again, there is no mention of any step requiring Parties to get approval from a separate industry body, ahead of any data processing activity.

The Code Manager would like to note that in some cases, there are no mentions of a specific process to be undertaken if/when data is being processed outside of the EEA.

9 PROPOSED SOLUTION

The REC Board approval does not add anything to mitigate any additional risks to the organisation looking to process data outside of the EEA. R0257 proposes that clause 20.8(a) is removed, whilst retaining the remaining sub-clauses as they are relevant to managing the associated risks and UK General Data Protection Regulation (GDPR) obligations.

All REC Parties are subject to UK GDPR, and the remaining sub-clauses cover this. The clause proposed to be removed has no impact on the risks or obligations associated with the processing of data outside of the EEA. There is no statutory requirement for a processor to seek approval from a Data Controller before the Data Processor can transfer personal data outside of the UK and/or the EEA.

10 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0257 can be found here.

PRELIMINARY ASSESSMENT

11 BUSINESS CASE ASSESSMENT

11.1 COSTS

As the scope of R0257 is to remove an additional layer of authorisation to the process regarding processing data outside of the EEA, there are no costs associated with this Change Proposal.

11.2 BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
SIMPLICITY AND EFFICIENCY OF THE PROCESS	The proposed solution to remove the REC Board approval when a REC Party needs to process data outside of the EEA will provide a more streamlined process, aligning with other code in the Energy Industry.

12 CASE FOR CHANGE

SELF GOVERNANCE

The Code Manager considers that there is a case for change to implement this Change Proposal, on the basis that:

- The proposed solution is fully formed, and it appropriately resolves the original problem statement;
- There are no costs associated with the implementation of this change or ongoing operations; and
- The impact of this Change Proposal not being implemented causes a delayed approach for any Party wanting to process data outside of the EEA.

13 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 27 June 2025 to obtain views on the Change Report (For Consultation) for R0257. In total two responses were received from one Distribution Network Operator (DNO) and one Metering Equipment Manager (MEM).

Both respondents noted their support of this Change Proposal. It was noted that the current extra layer of approvals required delays the process for Parties in processing data, and this proposal will bring the REC in line with other code bodies whilst still requiring the relevant Data Protection laws to be adhered to.

Both respondents also agreed with the Code Manager's recommendation for the implementation approach and implementation date.

14 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
CONSOLIDATED CONSULTATION COMMENTS AND CODE MANAGER'S RESPONSES	Link

15 GLOSSARY

TERM	DEFINITION
Balancing and Settlement Code (BSC)	means the Balancing and Settlement Code, as defined in the Electricity Supply Licences.
Data Controller	means 'controller' as defined in the Data Protection Legislation.
Data Processor	means 'processor' as defined in the Data Protection Legislation.
REC Board	means the board of directors for RECCo.
REC Data	means Personal Data Processed in connection with this Code.
REC Parties	means each 'Party' under and as defined in the Retail Energy Code. 'REC Parties', 'Parties' and similar expressions shall be interpreted accordingly.