RETAIL ENERGY CODE

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PERFORMANCE ASSURANCE BOARD (PAB) HEADLINE REPORT
Date: 25/06/2024
In Person (Deloitte Offices) and Virtual Meeting (via Teams)

This Headline Report provides summary of the matters discussed and a record of the decisions made by PAB Members at its meeting on 25 June 2024.

The PAB was chaired by Dorcas Batstone, Independent PAB Member, at the request of Jon Dixon, PAB Chair, who was unable to attend.

1. REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The PAB unanimously **APPROVED** the actions and draft minutes from the REC PAB meeting held on 25 June 2024. PAB Members reviewed the open and overdue actions.

2. RECCO SERVICES (CODE MANAGER, METERING AUDITOR ETC.) DEEP DIVE

The Code Manager has established PAB deep dives for key REC Services in 2023 and 2024. To support this, RECCo provided an update which consolidates performance and PAT information for the relevant period.

PAB Members:

- **NOTED** the contents of the update.

3. ADDRESS MANAGEMENT UPDATE AND CSS, CSS CERTIFICATE AUTHORITY AND SWITCHING OPERATOR DEEP DIVE

In line with the obligation placed on the Switching Operator (DCC) within paragraph 2.11 of the REC Address Management Schedule, the DCC Representative provided a report stating how it has complied with the published Address Quality that covered the previous financial year.

The DCC Representative provided an update in relation to the Central Switching Service BCDR exercise. It was confirmed to PAB Members that a BCDR event was undertaken in the Pre-Production environment at the end of April 2024 which was a successful failover and failback exercise and not impactful to service users.

PAB Members:

- **NOTED** the contents of the update.

4. EVOLUTION OF CRS PERFORMANCE CHARGE

The Code Manager provided an update to PAB Members highlighting the proposed improvements to the CRS Performance Charges, to provide meaningful incentives to drive performance improvements of the CRS service. This update included a proposed structure for the new performance charge that would mean that proportionate financial incentives exist to maintain the availability of the service, a key area. The Code Manager advised that the revised approach would be taken forward as a REC Change with input from PAB Members and consultation with Parties on the appropriate weightings for incentives.

PAB Members

- **NOTED** the contents of the update.
- **AGREED** with the Code Manager's approach to take this forward as a REC Change in readiness for April 2025.

5. RISK REGISTER AND 2024/25 PAOP 1ST DRAFT APPROVAL

PAB Members were provided an update on the Code Manager's review of the current Risk Register and proposed updates to the document. The REC Retail Risk Register sets out the key priorities for the PAB, both relating to consumer outcomes and market effectiveness. The PAB is responsible for assurance: measuring and analysing performance, identifying improvements that are required. Parties are then responsible for implementing these benefits and realising the associated performance benefits. To support achievement of the objectives of the Code, the Code Manager proposed some changes to allow Performance Assurance to focus on addressing assurance more strategic and systemic risks, with reduced focus on process compliance.

The Code Manager led a workshop-style ideation session to gain the PAB Members' views on performance over the past year, and their review on the PAB priorities for the next 12 months. The purpose was to provide PAB Members the ability to adjust plans and input into documents, such as the Performance Assurance Operating Plan. The ideation session covered the key areas listed below, with PAB Members considering key activities and achievements in each area, ongoing concerns and potential 2024/25 priorities:

- Consumer Outcomes
- Effective Retail Market Operations
- Innovation and Change

PAB Members:

- **NOTED** the contents of the update.
- **CONSIDERED** progress to date, ongoing concerns, and future priorities for performance assurance.

6. PARTY AND SERVICE PROVIDER ASSURANCE

The PAB was provided with a monthly update on Party and Service Provider Assurance activity, including Annual Rating Criteria and Data Cleanse Sprint 2 mid review.

PAB Members:

- **NOTED** the key updates on Market and Party performance since last month.
- **NOTED** the data review and reporting based on the data received by 1 June 2024.
- **NOTED** the status of Party data submission.
- **NOTED** the approach to Data Cleanse Sprint 2 mid-review.
- **APPROVED** the proposed Annual Rating Criteria.

7. MHHS QUALIFICATION

The Code Manager provided an update to PAB Members on MHHS Qualification including the items for decision.

PAB Members:

- **NOTED** the update on MHHS Programme Change Request (CR) 44 and 45, and the further actions required to manage the associated risk to REC arrangements.
- **NOTED** the update on the current status of the Qualification Testing Wave Allocation.
- **APPROVED** the principles for exemptions from Smart Market Segment requirements for MHHS Qualification, based on the recommendations made by the joint Performance Assurance Board (PAB) working group comprising of representatives from the REC PAB and BSC PAB.
- **APPROVED** the updates to the REC Assessment Criteria for MHHS Qualification to include Operational Testing requirements.
- **APPROVED** the approach for checking Party readiness to implement changes required under the REC, including Supply Number and DTN changes, in time for MHHS cutover.

8. DATA ACCESS REQUEST

The PAB was presented with a Data Access Approval request. The PAB determines access requests because the PAB is responsible for specifying REC Party, Non-Party REC Service User and REC Service Provider information security and data protection requirements under the REC.

PAB Members:

- **NOTED** the contents of the update.
- **APPROVED** the proposed alterations to the Gas Data Access Matrix.
- **APPROVED** the implementation date of 19 July 2024.

9. PAB FORWARD PLAN

The PAB discussed and agreed the forward plan.

10. AOB

The Code Manager highlighted that at a previous PAB a data access request was approved for the Department of Education to have a quarterly report for gas data items within their school portfolio. This is so that the department can support schools saving money through energy reduction and efficiency. This has been brought back to PAB as some data items are more appropriate and would require the Data Access Matrix to be updated, for example, Meter Type which was originally provided would be replaced by Meter Mechanism Code. PAB Members approved this update to the request and the Code Manager confirmed that a Category 3 change form will be raised and circulated with PAB Members.

The PAB discussed the progress of TPI Accreditation schedule, agreeing it would be beneficial for a detailed update to be scheduled for a future meeting covering the changes that this could mean for the PAB.

11. NEXT MEETING DATE

The next meeting of the PAB will be held via Teams on 30 July 2024.