RETAIL ENERGY CODE

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MEETING MINUTES

MEETING	**RECPAB_24_1029**
DATE	**29 October, 10:00am**
LOCATION	**Virtual Teams**

Attendee	Representing	Initials	Role
Jon Dixon	RECCo	JD	PAB Chair
Dorcas Batstone	Independent Member	DBa	PAB Member
Steve Verdon	Independent Member	SV	PAB Member
Steve Arthur	Independent Member	SA	PAB Member
Paul Everett	Supplier Representative	PE	PAB Member
David Brown	MEM Representative	DB	PAB Member
Paul Saker	Supplier Representative	PS	PAB Member
Fungai Madzivadondo	DNO Representative	FM	PAB Member
Tom Stuart	GT Representative	TS	PAB Member
Walter Carlton	Code Manager	WC	Performance Assurance Partner
Anton Moden	Code Manager	AM	Performance Assurance Lead
Vaishnavi Sharma	Code Manager	VS	Performance Assurance Manager
Andrew Waghorn	Code Manager	AWa	Performance Assurance Analytics Lead
Amy Crowe-Lamont	PAB Secretary	ACL	Committee Secretary
Carmen Fung *(Attended for item 2 only)*	DCC Representative	CFu	Senior Service Manager (Switching)
Bradley Baker *(Attended for item 2 only)*	DCC Representative	BB	Regulatory Business Partner, DCC Contract Manager
Arik Dondi *(Attended for item 2 only)*	DCC Representative	AD	Head of Regulatory Compliance
Joanne Ashton *(Attended for item 2 only)*	DCC Representative	JA	Head of New Services
Paul Witton-Dauris *(Attended for items 2 and 3 only)*	Code Manager	PWD	Head of Change
Andy Knowles *(Attended for items 2 and 3 only)*	Code Manager	AK	SME Change

Attendee	Representing	Initials	Role
Claire Hemmens *(Attended for item 2 and 3 only)*	RECCo	CH	Operations Manage- Switching CSS Service.
Lorna Mallon *(Attended for item 8 and 9 only)*	Code Manager	LM	Regulatory Specialist
Caroline Freimuller *(Attended for item 8 and 9 only)*	Code Manager	CFr	Change Analyst
Sharon Dudley	Xoserve Representative	SD	Regulation Change Specialist

1. REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The Chair welcomed attendees to the meeting of the PAB. In addition, the PAB Chair and PAB Members would like to thank Sally Hardman for all her contributions to the Performance Assurance Board as she moves onto a different role and resigns as the GT Representative on the committee. The Code Manager can confirm that Tom Stuart is now the new GT Representative, and we welcome him to PAB.

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 24 September 2024. PAB Members reviewed the open and overdue actions. Five actions were closed following information provided in the meeting papers or via a verbal update. Please refer to the Action Log for a full status update.

RECPAB_24_1029_01- BSC representative to provide an update on the BSC change corresponding to REC Change Proposal R0201.

CFu, AD, JA, BB, PWD, AK joined the meeting.

2. MAJOR SWITCHING INCIDENT ACTION PLAN UPDATE

The Code Manager provided background on the MSI Action Plan and invited questions on the paper presented to the PAB. On the PAB Chair's request, the Code Manager confirmed that all attendees including representatives from DCC, and the Code Manager teams have had access to the paper presented to PAB.

The discussion started by focusing on actions which need to be unblocked as they are unable to progress due to disagreement on way forward. The Code Manager has presented options in the paper for PAB to consider. The RECCo representative explained their rationale for the proposed approach as they want to ensure a sample of tickets is assessed to identify if there were any other tickets which may have been downgraded which are not captured in the view presented to PAB. The

DCC representative was invited to elaborate on the security concerns they have flagged. They also highlighted that as there is an escalation process as part of User Support, DCC are willing to share any escalations received in relation to inappropriate downgrading. RECCo representative flagged that without access to the original ticket, the assessor would be unable to independently verify the population of downgraded tickets and the rationale for downgrading was complete and accurate. A PAB Member queried if DCC have suggested an alternative method by which the independent assessment can be conducted. Another PAB Member asked if consideration had been given to conducting the review on site. RECCo responded that whilst they did not want to add strain on DCC's and the assessor's resources, they were open to considering this if DCC were amenable to this suggestion. The Code Manager recommended that as this action is at a point where RECCo and DCC are unable to agree on an approach to progress this action. The Code Manager therefore recommended that the PAB to deliberate and determine the next steps on the level of sampling and the approach to review the underlying data to independently assess the rationale to downgrade tickets. Following discussion on the nature of the information provided and the progress so far PAB recommended that the two Parties, RECCo and DCC, to mutually consider and agree how they complete the blocked action and return to PAB in November with an agreed resolution.

All DCC representatives left the meeting.

The PAB Chair flagged that whilst the MSI actions were proposed in response to the incident that occurred last year, with the Authority decision under consideration regarding the transfer of CRS License could impact how these actions are taken forward.

A Supplier representative flagged that as Parties, they are subject to assurance assessments across various Codes for example the BSC Audit where they are expected to provide evidence of the level being expected from DCC. The Code Manager clarified that whilst there are explicit obligations in the BSC for Parties to comply with the requirements of the BSC Auditor, the REC currently does not contain equivalent wording. The Code Manager suggested that a review of the Code obligations is undertaken with RECCo's lawyers to ensure we have requirements in the Code that prevent Parties from refusing to share data to support assurance assessments.

RECPAB_24_1029_02- RECCo to seek legal guidance to clarify and reiterate the provisions within the Code for Parties and Service Providers to cooperate with the Code Manager and PAB in any assurance activities. RECPAB_24_1029_03- The Code Manager and DCC to work together to agree a plan and timetable for delivery of the DCC Deep Drive within the next quarter, whilst taking account of DCC resource constraints and availabilities.

The Code Manager then presented an update on the 9 actions RECCo is responsible for which are being addressed by a REC Change Issue I0168 where the current suggestion is to progress the solution as guidance and not Code requirements. A PAB Member highlighted that their expectation is for the solution to be binding in the Code and not guidance which the Service Provider cannot be held

to account for. The RECCo representative added that there will be some additional text drafted which required the Service Provider to follow the guidance. Another PAB Member highlighted that the Code sets out the requirements and guidance support Parties to understand how they meet their Code obligations, therefore as long as there are underpinning requirements, a guidance document could be helpful. The Code Manager recommended that RECCo and the Code Manager's Change team are asked to present an update as they further develop the solution to inform PAB how they have underpinned requirements around communicating the root cause for major incidents, informing consumers when they occur, and considering the wider ecosystem beyond just CSS when developing a resolution.

PAB Members:

- **NOTED** the contents of the update.
- **RECOMMENDED** that RECCo, Code Manager and DCC mutually consider and agree how they complete the blocked actions and return to PAB in November with an agreed resolution.

3. SERVICE PROVIDER ASSURANCE

The Code Manager explained to PAB that the paper sets out suggested ways to improve the effectiveness of the periodic deep dives on REC Services at PAB. The Code Manager has proposed the Service being reviewed is sent an Information Request that enables the Code Manager to assess the Service's performance and provide insights to PAB as part of the PAB deep dive. For the deep dive on CSS, the Code Manager has recommended particular focus on information security and address management.

DCC representative asked the Code Manager to clarify the timelines for the DCC deep-dive review. The Code Manager clarified these are outlined in section 1.2 of the paper, which included that DCC have two weeks to compile the requested information. The Code Manager invited DCC to comment on their ability to meet the information request in the timeframes proposed. The DCC representative flagged whilst they support the approach in principle, they do not have resources on hand to provide a two-week turnaround on the information requested in the timescales proposed and would like the timings to be reconsidered. The Code Manager explained that these were suggested timings which would be discussed and agreed with DCC.

PAB Members:

- **APPROVED** the approach and Information Request for DCC to support the PAB deep dive, with the workplan and timetable to be discussed and agreed between DCC and the Code Manager.

AD, JA, CFu, BB left the meeting.

4. MARKET SCHEME ASSURANCE

PAB Members were informed of the proposed methodology for assurance of market schemes. This methodology provides the overall framework for future schemes assurance. The Code Manager explained that individual elements of the framework would be applied based on the risk assessment and assurance needs on a scheme-by-scheme basis so as to focus activity on the most important risks and avoid duplicating other sources of assurance.

During the discussion, a PAB Member raised a question regarding the incorporation of lessons learned from past schemes. The Code Manager clarified that the current methodology does indeed consider assurance approaches implemented in previous schemes. Furthermore, a formal process for tracking lessons learned will be established and implemented once the assurance framework is in place.

PAB Members:

- **NOTED** the contents of the paper.
- **APPROVED** the methodology set out within the paper.

5. MHHS UPDATE

The PAB was provided an overview of the paper, which sets out the impact of the delays to the MHHS Programme on the work of the REC PAB. The Code Manager highlighted a key decision in the paper relating to the impacts on the electricity approach to Meter Technical Detail (MTD) reconciliation. As the Code Manager has further developed the solution the Code Manager proposed to separate this from MHHS go live, so Parties can have certainty and assurance activities can start this as soon as reporting can be established. The BSC representative confirmed they were happy with these recommendations and the content of the paper.

A PAB Member queried if there has been any feedback on the proposal relating to the frequency of MTD reconciliation within electricity. The Code Manager noted that this was being piloted; feedback had been requested and some had been received. The pilot Party had volunteered to provide trial information, and this was happening in the coming months.

The Code Manager suggests initially this will be monthly, considering reducing this if performance is at an appropriate level.

The Code Manager is also considering if Parties are provided the option of providing all the information or an initial cut, with subsequent reports on incremental changes. The alternative approaches might be relevant for different organisations.

A PAB Member who acts as a Party representative set out that they have received informal feedback from other Parties on this. They noted that this had not been provided to the Code Manager and will suggest to the relevant Party to provide this in writing so it can be fully considered. The PAB Member noted the full extract each month may have a resource and system impact, which the Code Manager noted this was why the minded to position was to provide the option so that the Party can opt to take the approach that was easiest for them.

PAB Members:

- **NOTED** the update on MHHS Programme Replan (CR055).
- **APPROVED** the actions proposed by the Code Manager to manage impacts.
- **APPROVED** the proposal to retain the approach and timelines for introducing MTD reconciliation for MOAs and separate this from the PARC solution for MHHS.
- **APPROVED** the actions proposed to manage dependency on the Data Interchange Platform governance for MHHS Qualification.
- **APPROVED** the updates to Market Entry documents in preparation for the introduction of MHHS arrangements.

RECPAB_24_1029_07- The Code Manager to work with BSCCo regarding proposed amendments to dates for MHHS Qualification published in the QA&P and its annexes. These will be taken through the governance process for conditional approval whilst the Authority decision is awaiting to provide Participants indicative timescales so they can make required adjustments to their MHHS delivery plans.
RECPAB_24_1029_08- The Code Manager to update the R0202 solution to separate the MOA assurance requirements and revise its timelines.
RECPAB_24_1029_09- The Code Manager's Change team to be requested to inform the PAB of any impacts on processes overseen by it arising from changes introduced by CR055.
RECPAB_24_1029_10- The Code Manager to work with RECCo and the EES Provider to review the schedule for the EES direct assurance and PAB deep dive which are currently planned for June 2025.
RECPAB_24_1029_11- The DIP Manager to present at REC PAB how they will obtain assurance that Parties meet the non-functional requirements set out in the DIP Rules in order to meet their Code requirements where the process requires sending and/or receipt of information via DIP.
RECPAB_24_1029_12- The BSC representative to provide an update on how BSC PAB is managing risks associated with the effectiveness of assurance provided by the DIP Manager function as part of MHHS Qualification.
RECPAB_24_1029_13- The Code Manager to raise the following within the MHHS Programme RAID: • There is a dependency on the DIP Manager for assurance on Non-Functional requirements for MHHS Qualification. • There is a risk that there is not sufficient assurance so that Participants can meet the requirements within the DIP Rules which prevents them from sending and/or receiving messages via the DIP, preventing the Participant from meeting their REC obligations.

6. REVIEW OF PERFORMANCE MEASURES FOR REC SERVICES

The Code Manager presented the paper on how it plans on reviewing service level performance measures for REC Services, and how this will be applied to the ERDS service in the first instance.

The DNOs representative noted that this approach had been seen by DNOs, who are the providers of the ERDS Service. The PAB Chair asked if address management requirements were involved in this review. The Code Manager set out that this doesn't seek to define new obligations relating to address, the vehicle for that would be the relevant REC Issues I0210. The Chair described that there were related activities for Code Manager licences that interact with this work. The Code Manager described that the Code Manager licence work is likely to be at a much higher level, and that this work would be compatible with the Code Manager licence work, but in more detail.

PAB Members:

- **APPROVED** the approach for the review of KPIs for REC Services.

- **APPROVED** the plan for the delivery of review for ERDS KPIs.

LM joined the meeting.

7. DEROGATIONS

SD entered the meeting.

The Code Manager presented two derogations, one RECDER_15 for which Xoserve presented, and the second a new derogation associated with RECDER_20 which the Code Manager presented.

RECDER_15 was raised in March 2023, where issues were identified with registration changes for those exiting the market. The derogation was for Xoserve to undertake roles (such as deactivating an RMP) which usually would be undertaken by Parties. This included actions for Xoserve to provide updates and raise relevant changes. Xoserve presented progress and next steps, including raising REC Issue I0219. There are current deliberations on whether this should be addressed through a related change, or as a separate issue. Xoserve requested that the derogation is extended until the REC Issue is addressed, whether through I0219 or an associated change. PAB Members approved the extension.

The Code Manager requested a derogation related to the information used in the calculations underlying the Theft Detection Incentive Scheme. This related to issues with the quality of Domestic Premises Indicator. The data quality issues have not been able to be addressed by Suppliers as the necessary CSS change has been held up in the change process. As the change will not be in place in time, the Code Manager requested the derogation is applied again for the 2025/26 theft year. A PAB Member recorded their disappointment with the Service Provider who could have supported the resolution of this by providing data for Suppliers to them be aware of what to cleanse, but did not take action to this. Another PAB Member noted that this data is used to settle energy, in the absence of actual read data, and sets the timeframes for valid objections to a switch, remarking how disappointing it was that the support for this cleanse was not forthcoming.

PAB Members approved the derogation.

PAB Members:

- **APPROVED** the extension of RECDER_15 until I0219 is resolved, including if I0219 results in an implemented change, or the matter is included in a different change that addresses the issue.
- **APPROVED** the derogation request related to Non-Domestic Theft Target Calculation using the information from the Domestic Premises Indicator.

CFr joined the meeting.

8. R0137 UPDATE

The Code Manager provided an update on R0137, REC TPI Code of Practice, and the alternative change proposal. This change is seeking to introduce a requirement for Energy Suppliers to only engage with TPIs who are accredited to meet the requirements set out in the TPI Code of Practice.

Parties have flagged that allowing multiple accreditation scheme may drive undesired behaviours where TPIs may choose to accredit against the scheme where the standards are least demanding. Therefore the alternative solution proposes to identify only a single accreditation scheme for TPIs. The Code Manager asked if PAB recommend either the initial solution or alternative or choose to not express a preference. The PAB Chair clarified the provision of multiple providers of accreditation was introduced based on a steer from the Authority to address concerns around competition in response to which RECCo have conducted analysis and shared the insights with the Authority.

A PAB Member queried the volumes associated with the TPI accreditation scheme to understand the scale of effort involved. The PAB Chair responded that the best estimate is based on the Energy Ombudsmen's Alternative Dispute Resolution scheme where c. 2000 TPIs are registered. The TPI accreditation scheme would differ from the Metering Accreditation Scheme which requires physical audits; it is expected that for the TPI scheme the reviews would comprise documentation review which could be facilitated through implementation of technical solutions. Measures are being considered to smooth out the effort by introducing periodic assessments and basing these on the level of risk associated. The PAB Member further queried whether a single accreditation provider would be able to manage the effort involved in ensuring the TPIs are engaged with the scheme. The PAB Chair clarified that the requirement for Non-Domestic Suppliers to only work with accredited TPIs will act as a significant incentive for TPIs to engage with the scheme.

A PAB Member highlighted that during recent PAB proceedings the behaviour of market participants has been the key area that needed focus, not their policies and procedures. They queried how the R0137 solution is designed to address risks around the behaviour of TPIs. The PAB Chair clarified that the TPI Code of Practice is designed around specific principles covering information provided to consumers during customer acquisition and to improve transparency. This change also brings TPIs into the purview of assurance under the REC to ensure they are meeting their Code obligations.

A PAB Member stated that there is also a current DESNZ consultation on regulating TPIs in the Retail Energy Market, and asked how the R0137 and R0137A solutions consider decisions coming out of DESNZ. The PAB Chair responded that in the latest conversation, DESNZ has recognised it will consider work done by both RECCo and Ofgem in this area. The DESNZ consultation is at an early stage with no clarity on timescales for any subsequent implementation. The changes are not expected before 2027 and therefore effort put into R0137 / R0137A will only help inform future decisions.

The R0137 consultation is open until 8 November and the final recommendation is expected to be prepared by 10 December for Change Panel review on 17 December.

RECPAB_24_1029_04- PAB Members to provide feedback on the R0137 and R0137A solution via the REC collaboration zone so it can be submitted into the consultation process by 8 November. RECPAB_24_1029_05- PAB Chair to share RECCo's response to the DESNZ consultation and invite views from PAB Members.

PAB Members:

- **NOTED** contents of the update.

9. DATA ACCESS REQUESTS

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:

- **APPROVED** the proposed alterations to the Electricity Data Access Matrix.
- **APPROVED** the proposed alterations to Appendix 1 of the Data Access Matrix.
- **APPROVED** the proposed alterations to the Service User Categorisation and Assessment Document.
- **APPROVED** the implementation date of these changes for 22 November 2024.

LM and CFr left the meeting.

10. OPERATING PLAN

Taking the paper as read, the Code Manager summarised the two Performance Assurance Framework documents, Performance Assurance Methodology and Techniques (PAM&T) and Performance Assurance Report Catalogue (PARC), that have been reviewed and updated.

The Code Manager also gave an overview of the three-month look ahead on activities in the Performance Assurance Operating Plan (PAOP).

PAB Members:

- **APPROVED** the updated Performance Assurance Methodology and Techniques (PAM&T) document following the annual review where housekeeping changes have been identified.
- **APPROVED** the updated Performance Assurance Report Catalogue (PARC) following the annual review where housekeeping changes have been identified.

11. PERFORMANCE ASSURANCE UPDATE

The Code Manager set out the key matter contained in the paper, relating to a Supplier breaching their Controlled Market Entry (CME) Conditions. The Code Manager recommended that the CME condition relating to the cap on the meter points be increased to allow evidence of improvement with close monitoring of the Supplier's performance while under CME. The Code Manager also noted that the Supplier has made a significant change to their systems without informing the Code Manager as required and this omission would be followed up with the Supplier.

A PAB Member queried if it was appropriate to extend the cap if the Supplier has not yet demonstrated they have addressed the underlying issues. This included discussion on what further information or reporting is required to support this. PAB Members considered the level of the cap that should be applied, how any cap would impact consumers, including whether it became a system-enforced cap on acquisitions if breached and the information needed to be comfortable on their performance.

The BSC representative committed to sharing pertinent information the BSC have on the performance of the Supplier. The PAB agreed to review the performance of the Supplier at the next meeting, and for further months if required, before updating the CME Condition.

A PAB Member reflected that if these kinds of deliberations were made public then it would act as a significant incentive to avoid performance issues escalated to PAB, noting that CME breaches are part of the annual rating of Energy Suppliers.

The PAB Chair requested that information is provided on the Supplier's background and history that may support the deliberations at the PAB.

PAB Members:

- **DEFERRED** the decision to extend the CME cap, noting that it was important to communicate to Tomato Energy the importance of improving their performance.

RECPAB_24_1029_06- The BSC representative to share relevant information the BSC have on the performance of a particular Energy Supplier about which the PAB has performance concerns, supporting cross code collaboration.

12. AOB

PAB Secretary gave an overview of dates for the December in person meeting and invited views from PAB Members on specific topics they would like to cover at the in-person meeting. The Code Manager also informed PAB that due to the reduced timescales in December, there is not sufficient time for follow-ups with REC Service Providers between the performance report submission due date and the PAB paper day. Therefore, the Service Provider Assurance paper will not be presented in December and the paper in January will cover performance for both November and December 2024.

The Code Manager advised that processing data outside the European Economic Area is being looked into based on request from Parties. RECCo Board may choose to delegate this area to REC PAB as it relates to information security and data protection which is an area REC PAB are responsible for. Whilst the proposal is still being developed, the Code Manager is informing the PAB and will bring this matter for discussion as it is further developed.

The PAB Chair commented that DESNZ is looking at the Codes Reform. RECCo can present to PAB at a future meeting if members are interested in understanding more about the proposals whilst a decision is awaited from the government. A PAB Member queried that decisions expected from the Authority regarding the arrangements for Heat may impact the REC and specifically the role of the PAB. The PAB Chair answered that based on the insights so far, it seems like those would be set up under a new Code.

13. NEXT MEETING DATE

The next meeting of the PAB will be held online on 26 November 2024.

RETAIL ENERGY CODE