RETAIL ENERGY CODE

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MEETING MINUTES

MEETING	**RECPAB_25_0128**
DATE	**25 February 2025**
LOCATION	**Virtual (via Teams)**

Attendee	Representing	Initials	Role
Jon Dixon	RECCo	JD	PAB Chair
Dorcas Batstone	Independent Member	Dba	PAB Member
Steve Arthur	Independent Member	SA	PAB Member
Steve Verdon	Independent Member	SV	PAB Member
Angela Joyce	Supplier Representative	AJo	PAB Member
Paul Saker	Supplier Representative	PS	PAB Member
Anne Jackson	UNC Representative	AJa	PAB Member
David Brown	MEM Representative	DBr	PAB Member
Alice Williams	Citizens Advice	AWi	PAB Member
Paul Everett	Supplier Representative	PE	PAB Member
Fungai Madzivadondo	DNO Representative	FM	PAB Member
Marina Papathoma	GT Representative	MP	PAB Member
Andrew Waghorn	Code Manager	AWa	Performance Assurance Analytics Lead
Vaishnavi Sharma	Code Manager	VS	Performance Assurance Manager
Walter Carlton	Code Manager	WC	Performance Assurance Partner
Anton Moden	Code Manager	AM	Performance Assurance Lead
Sodiq Lawal *(Attended for items 3 & 4)*	Code Manager	SL	Service Provider Assurance
Anna Weeks	RECCo	AWe	RECCo
Shelley Rouse	Code Manager	SR	Operational Account Manager
Cristina Ullastre	Ofgem (Observer)	CU	Policy Manager
Bilal Ali *(Attended for item 2 & part of item 3)*	DCC	BA	Director of Customer Relationship / Service Management
Keith Foster *(Attended for item 3)*	RECCo	KF	CRS Improvement Programme Lead
Glenn Sheern *(Attended for item 5)*	Code Manager	GS	Change Team Member
Elise Hardy *(Attended for item 5)*	Code Manager	EH	Release Manager

DRAFT

Attendee	Representing	Initials	Role
Eve Marriner *(Attended for item 6)*	Code Manager	EM	Operational Account Manager
Pete Davies *(Attended for item 8)*	RECCo	PD	Director of Data, Technology and Transformation

1 REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The Chair welcomed attendees to the meeting of the PAB. He also welcomed Cristina Ullastre from Ofgem as an observer at the meeting.

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 28 January 2025. PAB Members reviewed the open and overdue actions. Two 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. The two actions **APPROVED** by the PAB to close were:

- RECPAB_25_0128_01
- RECPAB_25_0128_02

AWe provided an update on RECPAB_24_0924_02, and queried the scope of the action, trying to understand if it covered data errors exclusively, or also process errors. Following a brief discussion, it was clarified this covered data errors.

2 DCC ADDRESS MANAGEMENT CONSULTATION

BA joined the meeting.

The DCC representative gave an overview of the 2025-26 Address Quality Plan (AQP) and the consultation recognising that one of the objectives of this review was to make it succinct and focused on key areas, specifically the aged pots. Categories identified for prioritisation were Postcode, Plot, Flat and Landlord supply pots.

- The consultation responses highlighted the need to engage Energy Suppliers more, so DCC are looking into that.
- DCC are also looking at the available data and reporting to assess whether new reports are required based on the audience and their specific needs.
- DCC are also looking that how performance has been against previous targets to identify lessons to apply.

Further detail on the feedback from the AQP consultation was shared, covering:

- 6 responses received of which 4 requested a variety of statistics ranging from information on year-on-year performance as well as forecasting potential investigations.
- A Party suggested removing requirements around data for addresses which remain unmatched post investigation to reduce effort on Parties.
- Suppliers have shown an interest in being involved.
- 1 TPI response demonstrated an interest from TPIs to support Address Quality improvement. DCC are exploring how this can help.

- DNO respondents suggested that a REC process for Meter Point Location updates from Suppliers should be referenced in the plan.
- One response suggested the ability to provide update on records that have been reviewed.

Additionally, feedback from RECCo has highlighted:

- Outcomes from previous years should be shared along with information on how those are used to shape this year's approach.
- Targets should be outcome based rather than just process based.
- All data types should be provided to all Parties on an agreed frequency. DCC will explore this but do not believe this feedback is echoed by Parties. They highlighted this is currently not required within the REC arrangements and may need a REC change.
- Highlight how the unmatched addresses are impacting the success of individual switches.

A PAB member queried how PAB can drive better alignment in this area. The DCC representative stated that whilst DCC and PAB are aligned it would help to clarify roles, responsibilities and priorities amongst RECCo, DCC and REC PAB.

The Code Manager highlighted that the next agenda item will cover in more detail on the steps being taken to improve address quality outcomes.

The DCC Representative summarised the next steps and timelines before closing this agenda topic.

- AQP and supplement report to be shared with PAB and Code Manager by 28 February.
- The AQP will be published by 1 April, when it goes live.

PAB Members:

- **NOTED** the update.

3 CRS PROVIDER PERFORMANCE UPDATE JUNE TO NOV 2024

KF, SL joined the meeting.

The Code Manager presented the rationale for this deep dive along with the areas scoped in for the review. The findings and actions were discussed by each topic area:

Address Management

- Of the 4.49% unmatched addresses, 84% were unmatched for over 120 days
- 5 distributors account for c. 50% of the unresolved addresses so their targeted engagement would be helpful in improving performance against targets.
- DCC will look at implementing quarterly reporting to PAB, by June 2025, on aged unmatched addresses by Suppliers, DNOs and GTs to allow performance assurance techniques to be applied.
- The Code Manager will develop a criteria for PAB intervention by May 2025.
- DCC and RECCo to co-present their address management improvement plan to PAB in April 2025.

Action **RECPAB_25_0225_01***: Code Manager's Change Team to ascertain whether I0200 is the vehicle for updating responsibilities for address matching in the Code or another change is required.*

A DNO representative highlighted that some of these aged unmatched addressed are complex in nature and those should be taken into consideration whilst quantifying the issue. The DNO representative also highlighted that before actions are determined, the issues and their impacts should be quantified to justify action.

Another PAB member suggested understanding the issues will help and the discrepancies are seen at individual consumer level so whilst there may not be massive issues now, it does need focus.

The UNC representative highlighted that while switching levels are currently low, the impacts of address quality issues have not manifested as much but should be fixed before switching volumes pick up.

A Supplier representative highlighted that the cost of this activity will be eventually borne by customers so the approach should consider how we can prioritise less complex instances which yield more immediate benefits.

BA left the meeting.

Security Accreditation and other obligations

The Code Manager provided an overview of the findings and actions noted in the paper. No further questions were raised by PAB.

CRS Improvements Plan facilitated by RECCo

The RECCo representative gave a brief overview that based on Ofgem decision in November to retain the CRS Provider responsibility with DCC, it recognised the need for a review of CRS Governance and operating model to address performance concerns. This review is covering:

- Change Management
- Incident Management
- Industry Engagement
- Reporting
- Address Data Quality

By end of March, RECCo expect clarity on priorities along with supporting action plans. Some of these improvements may require changes to the REC – this will be considered as part of that plan expected by the end of March.

Action **RECPAB_25_0225_02***: RECCo representative to present an update on the output from first phase of the CRS Improvement Plan at the April 2025 PAB.*

Following a query from a PAB Member, the RECCo representative confirmed that the review of change management will cover ensuring the process includes mechanisms to ensure cost benefits are considered and benefits realised.

A PAB Member highlighted the important distinction between a plan, which has timebound actions, and an approach. They queried whether this would be a timebound plan with identified benefits. The RECCo representative confirmed it will be a measurable plan including benefits realisation.

PAB Members:

- **NOTED** the contents of the paper.
- **NOTED** the presentation on CRS Improvements.

KF left the meeting.

4 CRS PERFORMANCE CHARGE Q3 FY24_25

The Code Manager presented a paper on CRS Performance Charge for the quarter ending on 31 December 2024, including a request from DCC for exclusions to be applied. The Code Manager proposed the rejection of this request, as they were unable to verify the exemption request.

The Code Manager set out that they are establishing a process to provide information on exemptions through the period, not just at the end of the quarter.

A PAB member queried if the items which are described as waiting for a market participant would result in DCC missing their timeline if a Supplier was slow in responding. The Code Manager described how the process records responsibility for incident timelines. This included confirming there were instances that were recorded as waiting on DNOs, which DNOs had disputed that this was the cause of the delay. Without supporting information it is not possible for the Code Manager to substantiate these claims as valid, and further information had been requested but not provided. The Code Manager proposed that any rejection would enable the matter to be reconsidered if suitable information was provided to establish if these claims were valid.

The PAB discussed the need for reasonable exemptions where DCC are waiting for market participants, but that this needs to be differentiated from where their service providers had led to the delay. The Code Manager described why additional information is required, and that DCC are aware of the expectation of the level of detail required.

The PAB Chair asked whether there was benefit in deferring the decision to provide additional time to DCC to provide information.

A PAB Member queried if DCC are still collating the evidence. The Code Manager described some of the limitations with DCC's ability to share information.

PAB Members:

- **REJECTED** the DCC Performance exemption request. The Code Manager was unable to verify the exemption claim by DCC as supporting evidence was not provided, as required under REC Schedule 6 Annex A Clause 5.8. Should that evidence be made available, the Code Manager will reassess this exemption claim along with next quarter's Performance Charge calculation and present additional information to PAB for decision.
- **APPROVED** the Performance Charges applied to the CRS Provider for the quarter ending on 31 December 2024 in line with the REC Performance Charge regime introduced from 1 April 2023 and the Performance Charges scale approved by the PAB in March 2024.

SL left the meeting.

5 DATA ACCESS REQUESTS – NEW CATEGORY FOR THIRD PARTY LEGAL ADVISERS

GS, EH joined the meeting.

The Code Manager explained the Data Access Request as set out within the paper provided to PAB, highlighting the differences in approach for access to Electricity and Gas Data and inviting any questions on the items presented in the paper.

A Supplier representative queried what the plans for data access for Third Party Intermediaries is following in introduction of Market-wide Half-Hourly Settlement.

Action **RECPAB_25_0225_03***: Change Team member (GH) will update PAB on the plans for data access for Third Party Intermediaries following the introduction of Market-wide Half-Hourly Settlement.*

A PAB Member suggested that it would be help for the paper to set out the benefits the data access changes presented will enable.

PAB Members:

- **APPROVED** the Code Manager's proposed alterations to the Electricity Data Access Matrix;
- **APPROVED** the Code Manager's proposed alterations to the Gas Data Access Matrix;
- **APPROVED** the Code Manager's proposed alterations to Appendix 1 of the Data Access Matrix;
- **APPROVED** the Code Manager's proposed alterations to the Service User Categorisation and Assessment Document;
- **APPROVED** the Code Manager's implementation date of these changes for 28 March 2025.

GS, EH left the meeting.

6 DEROGATION REPORT

EM joined the meeting.

The Code Manager presented a derogation request related to the ability to exempt certain Suppliers from specific MHHS requirements. The Code Manager will include which Suppliers this derogation would apply to in the regular MHHS Qualification paper, so that PAB Members have oversight of the use of the derogation.

This derogation focuses on specific business models, based on the feedback from the BSC and REC PABs. It would apply to organisations not operating in the Smart and Non-Smart Market Segment (SMS), who would need to apply for this derogation proposing additional controls and agreeing to additional market monitoring.

The Code Manager also pointed out that there is a change proposed by BSC (I0194) to create system controls to prevent the registration of supply points they are not qualified to serve. The Code Manager clarified this derogation is based on manual monitoring and is therefore not dependent on this change progressing.

A PAB Member queried if this derogation would only apply to the six Suppliers noted in the paper. The Code Manager confirmed there may be more, and these would be identified through the MHHS Qualification process. A PAB Member queried if there was proactive communication of this derogation. The Code Manager set out the use of relevant MHHS working groups and communications to make organisations aware of this derogation.

PAB Members:

- **APPROVED** the principle on the basis of which a Supplier may be granted a derogation when they complete MHHS Qualification with an approved exemption.
- **APPROVED** delegate authority to the REC Code Manager to approve the Derogation for specific Suppliers as part of their MHHS Qualification approval.

EM left the meeting.

7 PARTY ANNUAL RATINGS

The Code Manager provided an overview of the Annual Rating covering the development over the years and considerations being taken forward for the next cycle. The Code Manager also highlighted that a REC Change is being progressed to embed the Annual Rating into **the Code.**

The Code Manager set out the **intention was for the Annual Rating to apply to Suppliers and DNOs as an overall rating based on the subject matter described within the paper.**

The Code Manager further elaborated on the matters for discussion:

- The Code Manager asked PAB if an accruals basis for the Annual Rating should be considered. A PAB Member asked whether a more frequent rating may be more beneficial for consumers and suppliers alike but the cost of delivering it may not be justifiable. A Supplier representative highlighted if the aim is for consumers to have this visibility to factor this into their switching decisions, perhaps an annual rating would be more appropriate. Another PAB Member queried while the cost of operating and governing a more frequent rating may be higher, it that also going to create a greater incentive.
- The Code Manager asked for PAB's views on the approach for sharing – whether wider sharing of the rating is likely to create greater transparency and better incentives.
    - The RECCo representative added that RECCo had sought legal advice which highlighted the need to consider the benefits of publishing information and whether the same goals cannot be achieved in a less intrusive way.
    - A Supplier representative suggested that if the information is provided to consumers for an intended use (for example influencing decision making) this should influence the way in which any information is presented, including what criteria are used. Another PAB Member highlighted the distinction between domestic and non-domestic consumers, and that these different groups may benefit from different types of information.
    - The UNC representative highlighted the importance of information put into the public domain to be trusted and reliable. The Code Manager explained the subject matter is developed with that consideration in mind, with a focus on validated performance issues, not data provided by Service Providers which could have reporting issues. This, combined with a query window, addresses the concern of publishing data that could need to be corrected at a later date.
    - Another Supplier representative queried if the Annual Rating also helps demonstrate the effectiveness of Performance Assurance Techniques (PATs) applied by the PAB. The Code Manager clarified that the rating demonstrates both party-level and market-level performance as well as improvement achieved over time. The Code Manager cited the example of Energy Theft reduction where Theft Detection Incentive Scheme is still unable to engage certain Parties who then prevent the market from meeting its overall goal. In these cases, the Annual Rating can help focus effort and ensure Parties are prioritising their key obligations.

The Code Manager explained the next steps. This will go through the REC Change process with the PAB as the Responsible Committee. The solution will be developed and refined whilst keeping the PAB informed.

PAB Members:

- **APPROVED** the design decisions proposed by the Code Manager as part of consultation into the design of the Party Annual Rating.

- **APPROVED** the types of Party the Annual Rating is in scope for.
- **APPROVED** whether the overall rating continues to be the preferred approach versus a series of peer comparisons.
- **APPROVED** the accruals basis for the Annual Rating.
- **APPROVED** the subject matter focused upon.

8 TRANSFORMATION RISK IN RECCO

PD joined the meeting.

The RECCo representative provided an update on how Transformation Risk is managed by RECCo, recognising the important for transparency.

RECCo maintain a company risk register which focuses on transformation, information security and resourcing risks. These risks are scored by the RECCo Board and the transformation risk is rated as a medium risk.

To manage resourcing risks, RECCo maintain a resourcing plan with an allocated budget. These currently are looking into new areas where RECCo may have obligations to deliver as well as improvement initiatives for current services such as CRS.

RECCo measure the cost, quality and stakeholder engagement for each project, assigning a Red/Amber/Green status. The Board review these and decide on starting or stopping any project. The Steering Committees manage the projects during the lifecycle. Where a project is not on the forward work plan, RECCo maintain a contingency fund. This year they have used that for CRS improvements and also in preparation of potential work on consumer consent and tariff interchangeability.

Currently, two projects are rated as amber. One of the amber projects is the changes to DTN required for MHHS. The second amber project related to REC Change R0148 which is looking at how access to data is managed.

A PAB Member queried how the RECCo risk management captured macro level of risks within the industry including geo-political risks and how those are translated down the organisation into the day-to-day activities. The RECCo representative explained that as RECCo matures as an organisation, they are working more closely with Ofgem and DESNZ, allowing them to better mitigate such macro level risks. While RECCo have better sight of things, they do recognise there may be some things that require the contingency fund which they maintain to minimise impact on core REC services delivered by RECCo.

A PAB Member stated they would be keen to at a later date discuss how RECCo is looking to maximise the benefits of AI whilst managing the risks that come with it. The RECCo representative acknowledged that it may be something to revisit in detail, highlighting that RECCo is investing in development of the ERIN AI bot to support Parties with REC processes and requirements, and are also trialling tools such as co-pilot on an enterprise level. They are also looking at an AI Policy for RECCo.

The RECCo Representative recognised the role of PAB in ensuring data quality whilst the use of AI ramps up and is happy to support a future discussion on it.

Action **RECPAB_25_0225_04***: The PAB Chair will prepare a briefing for PAB on the implications of the Data (Use and Access) Bill on the REC arrangements including Energy Data governed under the REC, once Ofgem's direction on it is clear.*

PAB Members:

- **NOTED** the update.

PD left the meeting.

9 PARTY ASSURANCE UPDATE

The Code Manager provided an overview of the market performance in the last quarter. They also provided an update on a Party that is over threshold for Meter Point Location (MPL) address updates, who the Code Manager has been engaging with for several months.

The Code Manager provided greater context for the benefit of committee members that were not present at previous meetings on the previous information provided to the PAB in relation to a Supplier Party who is breaching its Controlled Market Entry (CME) conditions whilst having performance issues in other areas governed under the REC. They also set out that this Supplier has made some progress in their action plan, but less than expected. Several DNOs have also terminated their commercial arrangements with this organisation due to non payment of DUoS charges, a process that prevents the registration of new customers within the DNOs' operational areas. This Supplier has had significant net gains in the period, and if this rate of acquisition continues we expect them to exceed the 40,000 limit in the short term.

The Code Manager requested that the PAB approve a Specific Condition criteria, which would prevent the registration of new customers, if the 40,000 limit is removed.

The Party is required to complete the actions in their Action Plan PAT. Once these actions have been completed satisfactorily, new registrations would be allowed to enable the Specific Condition PAT monitoring performance to be resumed, subject to a pre-agreed cap of 45,000 registrations.

A PAB Member highlighted the importance of this approach being clearly communicated to the Party.

The PAB Chair queried if it was beneficial to invite the Supplier back in to the PAB to present prior to this being decided upon. A PAB Member noted the lack of commitment or understanding of the requirements of the Code when the Supplier representatives previously presented, and on that basis it would not be beneficial to bring them back in. Two other PAB Members made comments supporting this point.

Due to the importance of this matter the Code Manager reiterated the decision for approval, which was:

1. As soon as the Code Manager is aware that the 40,000 limit is breached that switching registration will be prevented by the Code Manager.
2. This restriction will not be removed until all of the actions within the Action Plan are complete.
3. If they meet this successfully this will then be subject to a small increase in the cap to enable them to demonstrate they have resolved the previously noted performance issues.

A PAB Member draw the relationship between this item and the Annual Rating item previously, that providing information directly to customers on performance issues such as this is preferential to restricting switching in a way that could become apparent part way through the customer's switching journey.

PAB Members:

- **NOTED** the key updates on Performance Assurance.

- **APPROVED** the Specific Condition PAT against the Party, suspending new customer registration should the 40,000 limit be breached.
- **APPROVED** the Code Manager closing the Party Specific Condition PAT upon completion of all Action Plan items. At that stage, a new 45,000 CME hard cap would be set to allow Periodic Monitoring to resume.
- **APPROVED** the proposed PATs to be issued to relevant Parties as outlined in section 3 of the Performance Assurance Paper.

10 SERVICE PROVIDER UPDATE

The Code Manager presented a summary of the paper, including the action taken to validate the resolution of slow incident resolution where DCC and DNOs do not agree on the root cause. The Code Manager also covered the approach to identified GES performance concerns, which the Code Manager proposes is analysed in more detail in the GES deep dive in April.

A PAB Member queried if DNO performance levels had been restated, following the identification of inaccuracies calculating working days as 1 January 2025 was identified as a working day instead of a bank holiday. The Code Manager clarified that DCC is aware of this and that the Code Manager has requested that DCC restate these values, which it reports on behalf of DNOs.

PAB Members:

- **NOTED** the updates.

11 OPERATING PLAN AND FORWARD LOOK UPDATE

The forward plan updates within the paper were taken as read and no questions were raised by PAB members.

The Code Manager presented an update on the Performance Assurance Annual report, giving background in aligning it with the RECCo Forward Work Plan which runs from 01 April until 31 March.

A PAB Member highlighted that the breadth of areas covered by REC and PAB make it challenging to focus on key themes. It was added there is value to set the scene at an industry level before diving into the scope and boundaries of the REC.

PAB Members:

- **NOTED** the forward plan.
- **DISCUSSED** the REC Performance Assurance Report and considered whether all key Performance Assurance activities during the period have been considered.

12 NEXT MEETING DATE

The next meeting of the PAB will be held in-person on 25 March 2025 at 66 Shoe Lane.

DRAFT