RETAIL ENERGY CODE

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

CHANGE REPORT

R0267 SMART METER INSTALLATION SURVEYS - MICROBUSINESS REQUIREMENTS

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	26 June 2026
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	**CHANGE PATH**	Authority Determined
PRIORITY STATUS	Medium	**URGENCY**	Standard
IMPACTED STAKEHOLDERS	Energy Suppliers		

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

There is no requirement for Energy Suppliers planning fewer than 5,000 Smart Meter Installations at Domestic Premises, within a calendar year, to survey Consumers for REC compliance purposes.

Conversely, there is no minimum threshold in place for Micro-Business Installations, meaning that Non-Domestic Energy Suppliers are required to procure a suitably qualified, independent Smart Meter Installation Survey Organisation, at considerable cost, to survey what might be a very small number of Consumers.

CODE MANAGER MINDED TO POSITION

The Code Manager recommends that the REC Change Panel recommend that the Authority:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 26 June 2026, or the next available release after Authority decision is received.

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BACKGROUND

1 SUMMARY

This Issue has been raised by a Non-Domestic Energy Supplier, over the differences in obligations on sending the Smart Meter Installer Survey (SMIS) to Domestic and Microbusiness Consumers.

They have highlighted that the lack of minimum threshold in place for Smart Meter Installations at Microbusiness Premises, coupled with the requirement for Energy Suppliers to use an independent Smart Meter Installation Survey Organisation, means these Suppliers could face large costs to survey a small number of Consumers.

This change is linked to I0189 Voice of the Consumer which is looking at potential changes to the SMIS. The Code Manager has elected to progress I0267 separately for now as it is likely it could be implemented earlier than I0189 but will monitor this throughout solution development of both Issues. If it becomes more appropriate for the Issues to be combined, this can be done at a later stage.

As this is limited to the SMIS, for the purposes of this Issue Smart Meter Installation means only the first installation of a Smart Meter at a Premise.

2 PROBLEM STATEMENT

Non-Domestic Energy Suppliers are having to procure an independent Smart Meter Installation Survey Organisation, at considerable cost, to survey what might be a very small number of Consumers to be compliant with their REC obligations.

3 IMPACTS

CONSUMERS	REC PARTIES AND SERVICE USERS	REC DOCUMENTS / PRODUCTS
Micro-Business Consumers	Energy Suppliers	Consolidated Metering Code of Practice (CoMCoP)

MHHS
No impacts have been identified to MHHS processes or legal drafting as part of this Change Proposal.

4 CROSS-CODE IMPACTS

There are no cross-code impacts identified with this Change Proposal.

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5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**22 Jul 25**	**31 Jan 26**
	Code Manager Initial Assessment	July	August
	Solution Analysis	July	August
	Information Request	August	September
	Solution Development	September	November
	Legal Review	November	December
	Party Impact Assessment	December	January
Change Proposal		**01 Feb 26**	**18 May 26**
	Solution Refinement	February	March
	Consultation	March	April
	Final Determination	April	May
Voting		**19 May 26**	**19 May 26**
	Issued for Authority Determination	20 May 26	20 May 26

6 STAKEHOLDER ENGAGEMENT

The Code Manager has conducted an information request with Energy Suppliers, to gather data on the scope of this Issue. The Code Manager used this, and information provided by the REC Performance Assurance team on the number of submissions for the Smart Meter Installer Survey – Microbusiness, to draft an appropriate solution.

More information can be found in Section 8 Summary of Analysis Undertaken of this Change Report.

The Code Manager will use the Change Issues Group as and when appropriate throughout the development of this Change Proposal.

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	Innovation and Market Arrangements	2	17	33
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	2	7	13
		Legal and Regulatory Compliance	2	14	28
Resource	Complexity / Effort / Duration		2	9	18
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	2	10	20
				Overall Priority Score (rounded)	140

Priority Status	MEDIUM
Change Proposal Type	STANDARD

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SOLUTION

8 SUMMARY OF ANALYSIS UNDERTAKEN

The Code Manager conducted an Information Request with Energy Suppliers from 15 August 2025 to 12 September 2025. This was a confidential Information Request, the responses to which will not be published. They will however be made available to the Responsible Committee (e.g. the REC Change Panel) and the Authority as usual to inform their decision.

Eight Energy Suppliers responded to this Information Request and provided the Code Manager with the number of first Smart Meter Installations (split by Domestic and Microbusiness) they have performed in the last three years, an estimate of how much they pay for an independent Smart Meter Installation Survey Organisation and if they had a preference between two solution options proposed. Further information on these solution options can be found in Section 9 of this Change Report.

Using this information from Energy Suppliers, and information provided from the REC Performance Assurance team on the number of SMIS results received, the Code Manager was able to conclude the following:

- Introducing a minimum threshold of 1,000 Microbusiness Installations before Energy Suppliers are obligated to send the SMIS would result in the Department of Energy Security and Net Zero (DESNZ) receiving less than 5% fewer responses than they received currently; and
- The introduction of this threshold would lead to an estimated saving of £190,000 per annum across the industry where Energy Suppliers who are no longer eligible to conduct the SMIS no longer need to contract with for an independent Smart Meter Installation Survey Organisation.

9 PROPOSED SOLUTION

The proposed solution makes changes to Appendix 20 of CoMCoP.

It proposes the introduction of a minimum threshold for 1,000 Microbusiness Smart Meter Installations in one year before Energy Suppliers are obligated to send the SMIS. This is similar to the minimum threshold of 5,000 Domestic Smart Meter Installations in one year already in place.

9.1 DESCOPED SOLUTIONS

A second solution was proposed as part of the Information Request for Energy Suppliers to provide feedback on. This proposed the removal of the obligation to use an independent Smart Meter Installation Survey Organisation and allow Energy Suppliers to use in-house employees to conduct the SMIS if they wished.

This was proposed as also addressing the problem statement as while it would still require Energy Suppliers to survey a potentially very small number of Smart Meter Installations, they would not have pay for an independent Smart Meter Installation Survey Organisation.

This was descoped following the Information Request where feedback was received there was a concern in a variation in the quality of SMIS results and survey practices if this obligation was removed. This concern was also shared by DESNZ.

10 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0267 can be found here.

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PRELIMINARY ASSESSMENT

11 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

11.1 SERVICE PROVIDER IMPACT ASSESSMENTS

The Code Manager has liaised with the Metering Scheme Auditor to determine if there were any impacts to them from this Change Proposal.

It has been confirmed that the way the Smart Meter Installation Audit questions are structured, there is no impact to them from this Change Proposal and no Service Provider impact assessment was required.

11.2 REC PARTY IMPACT ASSESSMENTS

A Party impact assessment was conducted from 12 December 2025 to 16 January 2026. In total five responses were received from Energy Suppliers. The non-confidential responses have been published here.

ENERGY SUPPLIERS	• All respondents were supportive of the proposed solution. One caveated this support with a preference to phase out the SMIS completely. • No respondent disagreed with de-scoping the solution as detailed in Section 9.1 of this Change Report. • Most respondents noted no impact to their organisation from the implementation of this Change Proposal, as they conduct more than 1,000 Smart Meter Installations at Microbusiness Premises. One Energy Supplier noted that while they are not impacted, they agree this Change Proposal is sensible for smaller Energy Suppliers due to the cost impacts. • Most respondents proposed no alternate solutions, with one again stating a preference to phase out the SMIS completely. The Code Manager has responded that this is not within the scope of this Change Proposal, as DESNZ have confirmed under a different REC CP (I0189) they require it to remain in place for reporting. • One Energy Supplier raised a query on what happens if an Energy Supplier reports they plan to do less than 1,000 Smart Meter Installations and so are not eligible to complete the SMIS, but do end up doing more than this threshold. The Code Manager has confirmed this would be picked up under the CoMCoP audit performed by the Metering Scheme Auditor (as the 5,000 threshold currently is for Domestic Premises), which asks Energy Suppliers to provide evidence that the required Surveys for that calendar year were carried out, contained the required data in the correct format and sent within the required timescales.

	• No comments were received on the proposed legal text. • All respondents confirmed they would need no lead time in order to implement this Change Proposal. No comments were received regarding any constraints on when this Change Proposal could be delivered, and no respondents highlighted any risks to their MHHS qualification or migration plans. • All respondents confirmed they foresaw no costs to their organisation from the implementation of this Change Proposal. • Most respondents highlighted no benefits to their organisation from the implementation of this Change Proposal as they would be over the proposed threshold. However, one respondent highlighted they believed this would create a level playing field between the Domestic and Non-Domestic markets and that they would see a cost saving in any year were they did install fewer than 1,000 Smart Meters at Microbusiness Premises. One further benefit was received confidentially which the Code Manager has reviewed. • Four of five respondents agreed this Change Proposal should be made, with the fifth again stating a preference for the removal of the SMIS.

11.3 SUMMARY OF AMENDMENTS MADE FOLLOWING IMPACT ASSESSMENT

One change was made to the proposed legal text following consultation, which is detailed in the table below.

DOCUMENT	SECTION	AMENDMENT	REASON
CoMCoP Appendix 20	1,000 to 5,000 planned installation visits per annum	Addition of: The Energy Supplier will advise the Code Manager before the first Calendar quarter (January-March) if they are planning on installing between 1,000-5,000 installations in respect of Non-Domestic Premises within that calendar year.	To align with the obligations already in place for Smart Meter Installations at Domestic Premises.

12 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

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

13 BUSINESS CASE ASSESSMENT

13.1 COSTS

There are no central systems costs associated with this Change Proposal, and all respondents to the Party impact assessment foresaw no costs to their organisation from the implementation of this Change Proposal.

13.2 BENEFITS

TANGIBLE BENEFITS	BENEFITS DESCRIPTION
COST REDUCTION FOR ENERGY SUPPLIERS PLANNING FEWER THAN 1,000 SMART METER INSTALLATIONS IN ONE YEAR AT MICROBUSINESS PREMISES	The introduction of this threshold of 1,000 Smart Meter Installations at Microbusiness Premises in one year would lead to an estimated saving of £190,000 per annum across the industry. This will only be for Energy Suppliers who are no longer eligible to conduct the SMIS and so no longer need to contract with for an independent Smart Meter Installation Survey Organisation. This is not expected to lead in a significant drop in the number of SMIS results received by DESNZ, with the Code Manager estimating a less than 5% reduction in responses. This benefit may increase as we move through the Smart Meter rollout, as the number of properties undergoing their first Smart Meter Installation will decrease, and each year more Suppliers will be performing less than 1,000 Smart Meter Installations per annum that are that properties initial Smart Meter Installation.

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
REMOVAL OF AN OBLIGATION WHICH IS DISPROPORTIONATE FOR SMALLER ENERGY SUPPLIERS	The Information Request revealed that the cost to Energy Suppliers to contract an independent Smart Meter Installation Survey Organisation could be disproportionately high for Energy Suppliers conducting a very small number of Smart Meter Installations at Microbusiness Premises. This could be seen as a potential barrier to entry for new Energy Suppliers, particularly in the Microbusiness market where this obligation as stands would be present immediately, requiring a new Energy Supplier to contract with an independent Smart Meter

	Installation Survey Organisation if they conducted as low as one Smart Meter Installation at a Microbusiness Premise.
ALIGN OBLIGATIONS BETWEEN THE DOMESTIC AND MICROBUSINESS MARKETS	There is already a threshold for the Domestic market, where if an Energy Supplier plans fewer than 5,000 Smart Meter Installations a year, they are not obligated to carry out the SMIS. This Change Proposal will align the Domestic and Microbusiness obligations, as currently the SMIS must be sent if an Energy Supplier conducts a Smart Meter Installation at one Microbusiness Premise per year. This was seen a benefit from this Change Proposal in a Party impact assessment response, as well as by the Code Manager.

13.3 COST BENEFIT ANALYSIS

As there are no costs associated with this Change Proposal, two intangible benefits and one tangible benefit, the Code Manager considers there to be a positive case for change for implementing this Change Proposal.

14 CASE FOR CHANGE

The Code Manager believes that R0267 better facilitates the following REC Objectives:

OBJECTIVE	IMPACT TYPE	DESCRIPTION AND JUSTIFICATION
To ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement[1]	Positive	The REC mission statement is to "facilitate the efficient and effective running of the retail energy market, including its systems and processes through promoting innovation, competition, and delivering positive customer outcomes". The Code Manager considers there to be a positive impact on this REC objective as the removal of an obligation which could disproportionately impact smaller Energy Suppliers (including new entrants), Non-Domestic Energy Suppliers who specialist in Microbusinesses or Energy Suppliers conducting a small number of Smart Meter Installations at Microbusiness Premises should improve competition. The Code Manager is confident the removal of this obligation will have no detriment to Consumers, as it is estimated there will be a less than 5% reduction in the number of SMIS responses received. The reduction of costs for these Energy Suppliers may also lead to Consumer benefit if these Suppliers choose to pass

[1] REC Mission Statement

		the cost savings through to the Consumer. However, this not mandatory or something the Code Manager would be able to monitor.
To ensure customers interests and data is protected in the operation of the REC	Neutral	The Code Manager considers there to be a neutral impact to this REC objective. Numerical analysis has been done to provide a sensible threshold proposal, to ensure there is a minimal impact to the number of SMIS responses received, so DESNZ retain the information the currently receive from Consumers for decision making.
To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs	Neutral	The Code Manager considers there to be a neutral impact on this REC objective. This Change Proposal will have no to minimal impact to the operation of the REC, REC central systems or communication infrastructure within the REC. Benefits are expected to be limited to REC Parties, specifically Energy Suppliers conducting a small number of a Smart Meter Installations at Microbusiness Premises.

15 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link
[RELATED CHANGE(S)]	I0189 Voice of the Consumer

16 GLOSSARY

TERM	DEFINITION
Consumer	[means any person supplied (or seeking a supply) of Energy at an RMP (whether or not that person also exports or is seeking to export electricity at an RMP).
Domestic Consumer	means a Consumer at Domestic Premises.
Domestic Premises	means a premises at which a supply of Energy is (or will be) taken wholly or mainly for domestic purposes, which is to be interpreted in accordance with the Energy Supply Licences.
Micro-Business Consumer	means a 'Micro-Business Customer', as defined in the Energy Supply Licences.
Non-Domestic Supplier	means an Energy Supplier which is not authorised by its Energy Supply Licence to supply Domestic Premises.
Premises	is to be interpreted in accordance with the Gas Act and the Electricity Act.
Smart Meter	means a meter which conforms (or is intended to conform) with the SMETS.
Smart Meter Installation Survey Organisation	means a professional market research agency, independent of the Supplier Member, who adheres to the Market Research Society (MRS) Code of Conduct.