RETAIL ENERGY CODE

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STATUS	FOR DISCUSSION

OPTIONS FOR I0168: CLARIFY AND STRENGTHEN CRS PROVIDERS' REQUIREMENTS

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1 PURPOSE

The purpose of this paper is to provide the Change Issues Group with a summary and recommendations regarding the Major Switching Incident that occurred on 06 July 2023 with the Central Switching Service (CSS). REC Issue I0168 has been raised and seeks to deliver five review recommendations following a Major Switching Incident review coordinated by RECCo. The Change Issue form for I0168 can be found on the REC Portal.

I0168 was accepted by the Code Manager on 01 May 2024, and it was agreed that I0168 would be discussed at the first meeting of the Change Issues Group (RECCHIG). The purpose of the discussion would be to obtain feedback on the Issue and recommendations for progression.

2 BACKGROUND

The Major Switching Incident prevented the successful completion of that day's planned electricity and gas, impacting approximately 193,000 supply switch messages and approximately 9,000 new registrations for gas and electricity supply customers. The CSS was stabilised post-incident and any new requests submitted after 09:00am on 06 July 2023 were processed successfully. Through the collective action of the Switching Operator and industry parties, the CSS sent the missing industry messages to give effect to the intended switches and new registrations during the period of 02 - 08 August 2023.

Priority 1 (P1) Major Switching Incidents of this nature are required to be resolved within four hours; however, DCC reported that it took 1,605.6 hours in this instance. This incident had significant impacts on multiple industry parties and end consumers, demonstrating a clear need for improvement in the arrangements managing switching services and response to major incidents.

RECCo, with the assistance of the REC Code Manager, completed an end-to-end incident review. The review sought to identify the root cause, consider the efficiency and effectiveness of the incident management response, assess the improvements required, and identify appropriate actions for risk mitigation. The identified review recommendations are intended to limit the possibility – and minimise the impact of – any future major switch incidents.

A Major Switching Incident can impact electricity and gas, Domestic and non-Domestic consumers. Addressing these issues will limit the risk of a Major Switch Incident impacting:

- Ability to switch on time, effectively stuck until switch processed,
- Poor switching experience,
- Billing errors – disputed reads,
- Erroneous transfers – not being spotted and resolved on time,
- Limited non-domestic product offerings.

For further details please see the full RECCo Review Report, published on the RECCo website, including Summary and Detailed Appendix.

3 TIMELINE OF EVENTS

The following is an overview of the timeline of events and the different stages of the switching Incident. Further details on the key incident activities can be found in the RECCo Review Report.

06 Jul 2023	Central Switching Service Major Switch Incident identified and raised. Formal DCC Major Switch Incident Communication sent to nominated Switching parties.
07 Jul 2023	RECCo and REC Performance Assurance Board notified of the incident.
12 Jul 2023	Wider stakeholder engagement commenced utilising the planned Switching Operator Industry/Issues Forum (SOIF). This forum was set to daily at the request of impacted stakeholders.
13 Jul 2023	Initial impact communicated with the potential for Suppliers, who could see their impacted accounts, to withdraw the 06 July future dated switches and submit anew. However, this was untested so parties were unsure if this would work.
14 Jul 2023	Initial resolution options presented to stakeholders for consultation at the SOIF.
17 Jul – 28 Jul 2023	DCC development, sharing and instigation of proposed technical resolution execution approach, principles, and reconciliation process.
02 Aug – 08 Aug 2023	Data rectification commenced and completed with the CSS processing the remaining impacted switches/registrations.
11 Aug – 08 Sep 2023	Post Implementation data reconciliation commenced and completed, with verification and reconciliation by/against the CDSP, MPRS, and CSS.
12 Sep 2023	Incident closed, with formal DCC Incident Management notice sent to nominated stakeholders.

4 CONSIDERATION FOR CHANGE ISSUES GROUP

The following sections outline the five items and outcomes to be considered by the Issue Group before progressing to REC Change Proposal(s) and further drafting can be introduced into the REC, Schedule 26 - Switching Service Management.

Please note, each outcome for the REC Change Proposal corresponds to a RECCo Review Report recommendation reference, listed in the RECCo Review Report Summary.

Root Cause Communication outcome (Review Ref. T007)
That the DCC, in its role as Switching Operator, delivers, clear, accurate, timely information on the incident root cause, as soon as possible, once it has obtained a reasonable understanding. Both to offset the risks of uncertainty and limited information introduce, ensuring Switching parties (like Supplier, TPIs and Networks) have the right information to enable meaningful engagement, assist their end-consumers, and all impacted Market Participants can more proactively manage the incident impacts, including making appropriate plans in response to the incident and its resolution.
Switching Operator's End-Consumer Communication (Review Ref. IM013)
Introduce a requirement for the DCC, in its role as the Switching Operator, to provide end-consumer appropriate information for REC Parties and Non-REC Parties use to determine communication and action for their Consumers. This is deemed to be part of the Compliance and Technical Solution in response to the P1 Switching Incident with an aim to increase confidence in managing technical incidents.
Switching Operator, Switching Incident Impact Assessment outcome (Review Ref. IM015)
The DCC has a responsibility to consider the cost and impact of an incident against industry, like REC defined processes, systems, data, and services, and should ensure its proposed solutions consider these impacts. A solution that seeks to purely solve the issue for REC Switching systems only, can have an unnecessary impact (resource, time, cost) across the wider Switching landscape. This change should clarify the existing Switching Operator's broader obligation to assess an incidents impact on the wider Switching Arrangements (set out in REC Schedule 26, Switching Service Management Schedule (SSMS), section 1.7, or Major Switching Incidents starting at section 2.9), to ensure the Switching Operator facilitates the most effective, efficient (time, cost, resource) overall Switching industry solution is promoted and implemented.

Incident Wide Switching Impact Assessment outcome (Review Ref. IM017)
Clarify that if a Major Switching Incident is not going to be resolved within defined Service Levels (four hours), then the DCC in its role as Switching Operator should determine the impact on compliance with the REC end-to-end Switching Arrangements, and work with Ofgem, and the Code Administrators for BSC, UNC and DCUSA, and RECCo, to identify the cross code impacts/impacts on other Codes when managing an incident and developing an appropriate solution for industry, with least negative impact to end-consumers.
Refresh and testing of Switching Operator's (SO) incident related policies, processes, and procedures, to ensure they remain fit for purpose (Review Ref. COM022)
Clarity of requirements to ensure the SO periodically reviews, reissues, maintains, evaluates, and tests its: • Switching Incident Management Policy, processes, and procedures: with the inclusion of defined roles & responsibilities (i.e., RACI, to assist rapid incident resolution), and a major switch response process. With a scheduled annual test. • Switching Service Management Policies & Procedures • Incident communications strategy: to include the channels to be used, and cadence of incident meetings (separate to the established Switching Operator forum). • Procedure for the review and update of contact lists for CSS Users, SDSP's and other interested parties. • Methodology and criteria to assess the priority of incident resolution hierarchy.

5 ADDITIONAL RECCO REVIEW REPORT RECOMMENDATIONS

The RECCo Review Report (see Section 4) sets out a number of recommendations. For the avoidance of doubt, only T007, IM013 IM015, IM017 and COM022, are being included in this Change Issue. the Code Manager has also been assigned responsibilities to support further recommendations from the report.

6 NEXT STEPS

In order to raise a potential change to the REC, the Change Issues Group is invited to recommend the preferred options for amendments to the REC. Please come prepared with an understanding of the impacts of the incident on your organisation or business.

7 ACTIONS

Change Issues Group Members are invited to:

- **NOTE** the contents of the paper; and
- **DISCUSS** the recommendations set out in Section 4, and agree a course of action.