RETAIL ENERGY CODE

This document is classified as **WHITE**.
Information is for public, unrestricted dissemination and publication.

REFERENCE	RECCHIG_24_0905_07
STATUS	FOR DISCUSSION

SOLUTION DEVELOPMENT UPDATE: I0168 - CLARIFY AND STRENGTHEN CRS PROVIDERS' REQUIREMENTS (MSI BEST PRACTICE DOCUMENT)

BY JAMES HARDY

1 PURPOSE

The purpose of this paper is to provide the Change Issues Group with an update on the solution development of I0168 – Clarify and Strengthen CRS Providers' Requirements, and to consider the next steps, including the progression of I0168 into a Change Proposal.

2 PREVIOUS DISCUSSIONS

At the Change Issues Group meeting on 06 June 2024, the Code Manager presented attendees with the following five recommendation areas to function as first requirements for this Issue. These were agreed upon by the group to be taken forward as part of I0168 and each aligned to a review recommendation listed in the RECCo Review Report Summary for the P1 Switching Incident that occurred in 2023.

1) Root Cause Communication (T007)
2) Switching Operators' End-Consumer Communication (IM013)
3) Switching Operator Switching Impact Assessment (IM015)
4) Incident Wide Switching Impact Assessment (IM017)
5) Refresh and testing of Switching Operator's incident related policies, processes and procedures, to ensure they remain fit for purpose (COM022)

The desired outcomes, and the requirements for the REC, for each of these areas were set out and agreed upon by the group. The group expressed a desire to have less codification of the requirements and instead expressed support for a Major Switching Incident (MSI) Best Practice Document to be introduced, incorporating the requirements for the Switching Operator in each of the recommendation areas.

A straw-man proposal of the MSI Best Practice Document was presented to the Change Issues Group at the meeting on 04 July 2024, with attendees provided with the opportunity to discuss the initial drafting. Feedback was provided and the Code Manager agreed to make amendments to the document, including changes to the title of the sections and recommendations, before publishing this for a wider party review and feedback.

3 SWITCHING OPERATOR MAJOR SWITCHING INCIDENT BEST PRACTICE DOCUMENT – REQUEST FOR PARTY FEEDBACK

The Code Manager published the draft MSI Best Practice document with a request for Party feedback on 02 August 2024 via a Request for Information (RFI). Parties were invited to provide any comments they may have had on the document and provide additional red-lined drafting.

The RFI was open for Parties to provide their feedback for two weeks, closing on 16 August 2024. However, the Code Manager received no responses. Consequently, no further draft of the Best Practice document containing amendments based on Party feedback has been published ahead of the Change Issues Group meeting on 05 September 2024.

4 CODIFICATION AND ASSURANCE

During the RFI period, the Code Manager has further been considering the assurance and codification approach of the MSI Best Practice Document. This has led to the Code Manager considering the strength of the wording included in the document, with the consideration that stronger wording within the proposed document would ensure less codification is required in existing Category 1 REC documents. These considerations will continue to be explored in in the next drafting of the document.

The Code Manager has also considered where any codification of the Best Practice Document should occur within the REC. The Code Manager has since noted the possibility that references may be made within the Switching Operator Service Definition, the CSS Service Definition and/or Schedule 26 - *Switching Service Management*.

The Change Issues Group are invited to consider whether they agree that the REC documents listed above are appropriate locations to reference the MSI Best Practice Document and/or provide any other suggestions they may have for the possible codification of the document.

5 PROPOSAL OF ADDITIONAL RECOMMENDATIONS

The Code Manager has been further engaging with RECCo to consider if any additional recommendations from the RECCo Review Report should be incorporated into the MSI Best Practice Document. Initially, only T007, IM013, IM015, IM017 and COM022 were included in this REC Issue, however the Code Manager had been assigned responsibilities to support further recommendations from the RECCo Review Report.

Following this recent engagement, the Code Manager proposes to incorporate three further recommendations (IM018, IM019 an T009) into the solution for I0168 as part of their assigned responsibilities.

The Change Issues Group are invited to discuss the inclusion and requirements of these additional proposed recommendations The details of these recommendations can be found below.

RETAIL ENERGY CODE

IM018 – Switching Operator's responsibilities to ensure appropriate guidance and instruction to Ofgem and Code Administrators.
IM018 seeks to ensure that the Switching Operator is provided clear guidance on the responsibilities for ensuring appropriate guidance and instruction is given when working with Ofgem and the Code Administrators (BSC, UNC, DCUSA, and RECCo) when managing an incident and determining the impact on compliance of the respective organisations within the scope of the REC. This recommendation is closely linked to IM017, that is already included in the I0168 Best Practice document drafting. To incorporate IM018, the Code Manager will look to extend the drafting around section 2.5 – Broader Industry Impact Assessment, that already acknowledges the need for the Switching Operator to collaborate with Ofgem, RECCo and Code Administrators. The Switching Operator has also asked for further clarification on who, and how, to engage with other Codes and organisations following an MSI. The Code Manage believes this further clarification can be provided by incorporating IM018 into the solution for I0168.

IM019 – Switching Operator's responsibilities to ensure appropriate guidance and instruction to Ofgem and Code Administrators.
IM019 seeks to ensure the appropriate terms of reference and membership of the Switching Change Advisory Board (SCAB/ Switching CAB), so that the Board can be convened to make decisions on similar incidents, should they occur in the future. Under IM019, consideration is needed around the SAB role when agreeing the right resolution, with change impacts to multiple Switching Data Service Providers (SDSPs) and market participants. Consideration will also be given to how an emergency SCAB may be convened as part of any incident plan updates, and how SCAB outputs should be communicated via REC communication channels to market participants. The Code Manager and RECCo believes the MSI Best Practice Document is an appropriate place to provide details on the roles and responsibilities of the SCAB, and recommends that IM019 is incorporated into the document to help provide transparency and clarity for the Switching Operator and REC Switching stakeholders around the role of the SCAB for prolonged MSIs when considering/determining the proposed resolution activity to take. There has been previous confusion around the purpose of the SCAB, and the Code Manager believes this can be rectified by incorporating IM019, and guidance on the SCAB, into the solution for I0168.

T009 – Data captured as part of a Switch, or otherwise, to help prioritise in the event of an MSI (Switching Operator's potential to identify and prioritise certain customer groups).
T009 seeks to review, and assess, the data captured as part of a Switch, or otherwise, to help prioritise in the event of an MSI. This recommendation has been considered in conjunction with IM20 that states that the Switching Operator (SO) should consider the potential to identify and prioritise certain customer groups impacted by an MSI. Previous RECCo analysis concluded the following: There are no appropriate data points that would, by themselves, assist in developing a prioritisation of one group of impacted switches over another (either by consumer segment, or volume of energy), without potentially causing inappropriate detriment to another group. In summary; 1. Each Switch/New Registration is sacrosanct and should be processed; delaying a particular switch/registration over another is inappropriate. 2. There is limited information (data) contained in a switch message which the SO/CSS Provider could use to propose prioritisation of one Switch about another when developing an incident resolution plan and approach. Whilst the Domestic Premises Indicator (DPI) might indicate the market, and the MPID might indicate an intracompany switch, what neither do is tell the underlying story behind the switch, or their relative importance to each other. Should an MSI occur in the future, RECCo recommends the SO engages with impacted switch parties (i.e., Suppliers, Switching Data Service Providers, etc) to identify; • Impacts and • Priorities – i.e., individual switches that they believe require prioritised processing, and the rationale why. Through this stakeholder engagement, the SO can consider what the prioritisation it proposes to apply to the proposed resolution. RECCo recommend this principles and process approach whereby discussion with parties to identify the impacts, would better inform the SO, and any proposed resolution application approach. Following engagement with RECCo, the Code Manager has agreed to include this principle and process approach within the I0168 MSI Best Practice document.

6 NEXT STEPS

Following the September Change Issues Group meeting on 05 September 2024, the Code Manager will complete the drafting of the MSI Best Practice Document. This drafting will be dependent upon the outcome of the discussion on sections 4 and 5 of this paper and further conversations with RECCo and the Switching Operator.

Further, the Code Manager will also produce the Change Proposal Plan for I0168. The Code Manager intends to present this to the REC Change Panel on 17 September 2024. This Change Proposal plan will detail the expected dates and course of action required for I0168 to become a Change Proposal.

As part of the preparation for the Change Proposal Plan, the Change Issues Group will be invited to discuss whether this issue requires a full Party impact assessment, or whether the final drafting can proceed directly to Consultation as a Change Proposal. The Change Proposal Plan will also consider the targeted implementation date which will also be discussed amongst the Change Issues Group at the meeting.

7 ACTIONS

Change Issues Group Members are invited to:

- **NOTE** the contents of this paper;
- **DISCUSS** the approach to codification of the document, including where in Code the Best Practice document should be included;
- **DISCUSS** the proposed additions to the MSI Best Practice document; and
- **DISCUSS** and agree upon a course of action to progress I0168 into a Change Proposal.