RETAIL ENERGY CODE

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

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

CHANGE REPORT

R0182 – LEVELISATION RECONCILIATION ELECTRICITY SINGLE-RATE/MULTI-REGISTER SPLIT

DOCUMENT VERSION	V2.0
PROPOSED IMPLEMENTATION DATE	08 November 24, subject to Authority Decision by 01 November 2024, or no later than 31 December 2024
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	**CHANGE PATH**	Authority Determined
PRIORITY STATUS	High	**URGENCY**	Urgent
IMPACTED STAKEHOLDERS	Domestic Suppliers		

LEAD ANALYST	SUBJECT MATTER EXPERTS	
LYDIA BENTLEY	HARRIET TRUSS	LORNA MALLON
Click to send an email	Click to send an email	Click to send an email

OVERVIEW

This Change Proposal seeks to introduce the necessary governance and charging amendments to existing Payment Method Levelisation (PML) Reconciliation arrangements (introduced in R0147) to allow for multi-register reconciliation. The amendments will allow for an ongoing reconciliation that accounts for a split in both single-rate and multi-register electricity Metering Assets. Additionally, it will also allow for a one-off retrospective recalculation for the period dating from the proposed effective implementation date of 01 January 2025 back to the implementation of the original reconciliation mechanism on 01 April 2024.

CODE MANAGER RECOMMENDATION

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

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 08 November 2024, subject to Authority Decision by 01 November 2024, or implementation no later than 31 December 2024.

RETAIL ENERGY CODE

CONTENTS

Code Manager Recommendation 2
1 Summary 4
2 Problem Statement 4
3 Impacts 4
4 Cross Code Impacts 5
5 Proposal plan 6
6 Stakeholder Engagement 6
7 Priority Status and Urgency 6
8 Proposed Solution 7
9 Draft Legal Text 11
10 Summary of Impact Assessment Activity 11
11 Key Risks Issues Assumptions and Dependencies 12
12 Business Case Assessment 13
13 Case For Change 14
14 Summary of Consultation Responses 15
15 Summary of Amendments made following Consultation 16
16 Appendix 18
17 Glossary 19

BACKGROUND

1 SUMMARY

The energy price cap ("default tariff") calculates different maximum charges at nil consumption ('standing charges') for Consumers on single-rate and multi-register electricity metering arrangements in each region. As a result, different levelisation allowances have been calculated for both single-rate and multi-register Consumers within the price cap.

As outlined in the Levelisation Policy decision document, the PML Reconciliation, which supports the Levelisation Policy, has initially only been designed to accommodate one (single-rate) set of levelisation rates per region and fuel type when calculating the daily differential rates and thus the reconciliation amounts.

As a result, a re-design of the Domestic Supplier inputs, the base calculation, and system outputs to process two sets of levelisation rates (i.e. both single-rate and multi-register electricity metering arrangements) is required. This will take place for all future PML Reconciliations, as well as a PML retrospective recalculation for the period of 01 April to 31 December 2024. Domestic Suppliers were made aware of this in March 2024, prior to the implementation of the original levelisation arrangements, as per REC Change Proposal R0147.

This Change Proposal has a fully formed solution, following a collaborative solution development cycle involving the Code Manager, RECCo, their service provider and Ofgem prior to the Change Proposal being raised. Details of the proposed solution can be found in the solution document, found here.

2 PROBLEM STATEMENT

PML Reconciliation currently does not distinguish between single-rate and multi-register electricity Metering Assets. This represents a discrepancy, as price cap methodology currently does make this distinction. As a result, PML Reconciliation calculation methodology must be updated to distinguish between single-rate and multi-register Metering Assets. This will be effective for all reconciliations moving forward from the date of implementation, as well as retrospectively from the start of PML Reconciliation from 01 April 2024, to the date of implementation.

3 IMPACTS

RECCO / REC CODE MANAGER
RECCo
REC Performance Assurance

REC DOCUMENTS / PRODUCTS
Schedule 31 – Payment Method Levelisation Reconciliation
Schedule 1 – Interpretations & Definitions

REC PARTIES AND SERVICE USERS
Domestic Suppliers

MHHS DESIGN	MHHS DATA SPECIFICATION	MHHS CODE DRAFTING
N/A	N/A	N/A

The Code Manager has not identified any direct impact on Consumers – this Change only affects the PML Reconciliation mechanism, rather than the Consumer-facing levelisation process (which is owned by Ofgem). As a result, Consumers will not see any difference in their charges; the only difference being how the impacts of levelisation are reconciled across Domestic Suppliers.

Domestic Suppliers with a mixed portfolio of both single-rate and multi-register Metering Assets will be impacted as they will be required to both:

- Submit retrospective data to complete the PML retrospective recalculation
- Submit ongoing data split by single-rate and multi-register to engage with the new requirement.

Ofgem has provided greater detail regarding the Domestic Supplier impact, and how they can prepare for a Request For Information (RFI) on the retrospective recalculation in a letter, found here. As of publication, this RFI is currently live.

Domestic Suppliers (both Gas and Electricity Suppliers) will also see a smaller, secondary impact to the PML Reconciliation data requirements, which is detailed in Appendix 1 of Schedule 31 – Payment Method Levelisation Reconciliation. These will be updated in the proposed solution to reflect the new data required for the mutli-register data submission. This means that even for a Domestic Supplier who is not expected to submit multi-register data (for example, a gas only Domestic Supplier) will see an impact on their PML Reconciliation processes as the data submission templates are changing.

Changes are proposed to the following REC Documents:

- Schedule 31 – Payment Method Levelisation Reconciliation
- Schedule 1 – Interpretations & Definitions

Additionally, RECCo will be impacted, including back-end RECCo processes that are not within scope of R0182. Lastly, the Code Manager and REC Performance Assurance Board will be impacted, as the existing performance assurance activities will extend in scope to capture the true-up data submission.

4 CROSS CODE IMPACTS

The Code Manager has not identified any cross-code impact.

5 PROPOSAL PLAN

	FROM	TO
PARTY IMPACT ASSESSMENT	26/07/2024	09/08/2024
CONSULTATION	30/08/2024	20/09/2024
RESPONSIBLE COMMITTEE DECISION	15/10/2024	15/10/2024
AUTHORITY DETERMINATION SENT	16/10/2024	16/10/2024

6 STAKEHOLDER ENGAGEMENT

The Code Manager has worked closely with both RECCo and Ofgem during the progress of this Change Proposal. Prior to the R0147 implementation and PML Reconciliation go-live, Ofgem issued a letter to Market Participants in March 2024 that reminded Domestic Suppliers that they would need to take part in the PML Retrospective Recalculation exercise. As part of their ongoing engagement with Domestic Suppliers, Ofgem issued an RFI to gather the data needed for the PML Retrospective Recalculation from Suppliers. This was issued on 01 August 24 and closed on 15 September 24.

Prior to publication of the impact assessment, the Code Manager conducted a webinar on 25 July 2024 to coincide with publication on 26 July 2024. This webinar allowed the Code Manager to support Parties in completion of their impact assessment activities.

7 PRIORITY STATUS AND URGENCY

Category	Significance / Resource impacts / Urgency	Further selection / breakdown	Score (0-3)	Weighting	Weighted Score
Impacts	Consumer Impact	Direct	0	27	0
	Retail Markets Impact	Innovation and Market Arrangements	2	17	33
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	3	7	20
		Legal and Regulatory Compliance	2	14	28
Resource	Complexity / Effort / Duration		3	9	28
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		2	17	17
	Contribution to/ Alignment with RECCo's Forward Work Plan		2		17
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity	2	10	20
				Overall Priority Score (rounded)	163

Priority Score	Priority Status
171 and above	Critical
151 to 170	High
101 to 150	Medium
0 to 100	Low

Priority Status	HIGH
Change Proposal Type	URGENT

Urgent Change Proposals meet the Criteria for Urgency as set out by Ofgem

This Change Proposal has a priority status of High, based on a score of 163. This score has been calculated as follows:

- Retail Market Impact – Innovation & Market Arrangements has been given a score of two, indicating moderate impact. This is based on the proposed solution delivering improvement and innovation to the existing PML Reconciliation mechanism.
- Operational Effectiveness & Efficiency has been given a score of three, indicating major impact. This is based on the proposed solution delivering operational efficiencies or

improvements to RECCo in their delivery of the PML Reconciliation mechanism by introducing the necessary arrangements for the single-rate vs multi-register split, and also for REC Parties, in their engagement with the aforementioned arrangements.

- Legal & Regulatory Compliance has been given a score of three, indicating major impact. This is based on the proposed solution delivering the mechanisms needed for RECCo and REC Parties to engage with Ofgem's requirements for the PML Reconciliation mechanism.
- Strategic Alignment has been given a score of two for both metrics therein, indicating moderate impact. This is based on the proposed solution facilitating the driving of continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs.

SOLUTION

8 PROPOSED SOLUTION

8.1 PROPOSED SOLUTION – CURRENT

The Code Manager is proposing changes to Schedule 31 – Payment Method Levelisation Reconciliation, the three data submission templates referred to in the appendices of the aforementioned schedule, as well as consequential changes to Schedule 1 – Interpretations & Definitions.

Details of the proposed solution can be found in the solution document, found here.

8.2 PROPOSED SOLUTION – LEGAL TEXT MODIFICATIONS

Following the REC Party Impact Assessment (covered in greater detail in section 11.2 of this report), a number of modifications were suggested to the proposed legal drafting of Schedule 31 – Payment Method Levelisation Reconciliation. These suggested changes have been summarised below, along with the Code Managers position on whether to adopt them or not, and why.

AFFECTED DOCUMENT/ SECTION	ORIGINAL PROPOSAL	IA RESPONDENT SUGGESTION	CODE MANAGER RESPONSE
Schedule 1	PML Retrospective Recalculation - means the process for a one-off retrospective recalculation of the PML Reconciliation Amounts for each Domestic Supplier for the period 1 April 2024 to 31 December 2024	PML Retrospective Recalculation - means the process for a one-off retrospective recalculation of the PML Reconciliation Amounts for each Domestic Supplier for the period **from** 1 April 2024 to 31 December	The Code Manager accepts the addition of "from", however, we will not accept the modification to the date format on "01 April 2024" as it is inconsistent with data formatting in existing REC documents and products.

AFFECTED DOCUMENT/ SECTION	ORIGINAL PROPOSAL	IA RESPONDENT SUGGESTION	CODE MANAGER RESPONSE
	(inclusive) to account for the retrospective differentiation between single-rate and multi-register electricity metering arrangements from 01 April 2024.	2024 (inclusive) to account for the retrospective differentiation between single-rate and multi-register electricity metering arrangements from ~~0~~1 April 2024.	
Schedule 31 – 11.2	11.2. By 15 January 2025, each Domestic Supplier shall submit historical Payment Portfolio Data to RECCo for both single-rate and multi-register electricity meters for the months of April 2024 to December 2024 (inclusive) for the purposes of the PML Retrospective Recalculation. Where a Domestic Supplier has not submitted such Payment Portfolio Data to RECCo by such date, RECCo may use an estimate for that Domestic Supplier.	11.2. By 15 January 2025, each Domestic Supplier shall submit historical Payment Portfolio Data to RECCo for both single-rate and multi-register electricity meters for ~~the months of April 2024 to December 2024~~ **each month for the period from 1 April 2024 to 31 December 2024** (inclusive) for the purposes of the PML Retrospective Recalculation. Where a Domestic Supplier has not submitted such Payment Portfolio Data to RECCo by such date, RECCo may use an estimate for that Domestic Supplier.	The Code Manager accepts the addition of 'each month', however, the date formatting will be changed as per our comments against the proposed Schedule 1 changes.
Schedule 31 – 11.3	11.3. RECCo shall recalculate the PML Reconciliation Amounts for each Domestic Supplier for the months of April 2024 to December 2024 (inclusive) using the applicable data referred to in Paragraph 11.2.	11.3. RECCo shall recalculate the PML Reconciliation Amounts for each Domestic Supplier for ~~the months of April 2024 to December 2024~~ **each month for the period from 1 April 2024 to 31 December 2024** (inclusive) using the ~~applicable~~ data ~~referred to in~~ **provided under** Paragraph 11.2.	See comments against 11.2

AFFECTED DOCUMENT/ SECTION	ORIGINAL PROPOSAL	IA RESPONDENT SUGGESTION	CODE MANAGER RESPONSE
Schedule 31 – 11.4	11.4. This recalculation will determine the differences between the originally calculated PML Reconciliation Amounts for each respective month and the recalculated amounts based on the revised data.	11.4. ~~This~~ **The PML Retrospective R~~r~~ecalculation** will determine the differences between the originally calculated PML Reconciliation Amounts for each respective month and the recalculated amounts based on the revised ~~data~~ **methodology and newly provided data**.	The Code Manager accepts these modifications.
Schedule 31 - 11.5	11.5. Based on this recalculation (and subject to Paragraph 11.9), RECCo shall issue statements to each Domestic Supplier detailing the differences in the PML Reconciliation Amounts for each month from April 2024 to December 2024 (inclusive).	11.5. Based on this recalculation (and subject to Paragraph ~~11.9~~ **11.8**), RECCo shall issue statements to each Domestic Supplier detailing the differences in the PML Reconciliation Amounts for each month ~~from April 2024 to December 2024~~ **for the period from 1 April 2024 to 31 December 2024** (inclusive).	See comments against 11.2. The proposed modification to the reference to 11.9 is referred to in the relevant section below.
Schedule 31 – 11.6	11.6. RECCo shall include any difference resulting from this recalculation, whether payable by RECCo to the Domestic Supplier or payable by the Domestic Supplier to RECCo, as part of the next payment cycle under this REC Schedule. Each Domestic Supplier must pay, in accordance with Paragraph 5, any additional PML Reconciliation Amounts payable by	11.6. RECCo shall include any difference resulting from this recalculation, whether payable by RECCo to the Domestic Supplier or payable by the Domestic Supplier to RECCo, as part of the next payment cycle under this REC Schedule. Each Domestic Supplier ~~must~~ **shall** pay, in accordance with Paragraph 5, any additional PML Reconciliation Amounts payable by that	The Code Manager accepts these modifications.

AFFECTED DOCUMENT/ SECTION	ORIGINAL PROPOSAL	IA RESPONDENT SUGGESTION	CODE MANAGER RESPONSE
	that Domestic Supplier as a result of the recalculation under this Paragraph 11.	Domestic Supplier as a result of the recalculation under this Paragraph 11.	
Schedule 31 – 11.8	11.8. Domestic Suppliers shall comply with any directions issued by RECCo or the Authority regarding the settlement of recalculated amounts concerning the PML Retrospective Recalculation.	~~11.8. Domestic Suppliers shall comply with any directions issued by RECCo or the Authority regarding the settlement of recalculated amounts concerning the PML Retrospective Recalculation.~~	The Code Manager has considered with RECCo and Ofgem the merit of this suggestion. The Code Manager has included a question in the consultation on the suggested removal of this paragraph, to see if there are strong industry views. This suggestion was put forward in order to limit the potential for non-specific interventions on Domestic Suppliers in addition to their defined role within the PML Reconciliation mechanism.
Schedule 31 – 11.9	11.9. RECCo shall complete the PML Retrospective Recalculation, and issue the updated statements, before the end of March 2025.	~~11.9.~~11.8. By 31 March 2025, RECCo shall complete the PML Retrospective Recalculation~~,~~ and issue the updated statements~~, before the end of March 2025~~.	The Code Manager accepts these modifications. The proposed change to the reference to 11.9 is referred to in the relevant section below.
Schedule 31 – Appendix 1	Appendix 1 - Any fixed term contracts for all payment methods agreed prior to the decision ~~date~~[1] date 23 February 2024 are not included	Appendix 1 - Any fixed term contracts for all payment methods agreed prior to ~~the decision date~~[1] ~~date of~~ 23 February 2024 are not included	The Code Manager accepts this modification.

8.3 PROPOSED SOLUTION – LEGAL TEXT MODIFICATIONS – DATA SHARING

During the Consultation, a respondent raised the prospect of Ofgem sharing the data collected through their 'Prepayment Meter Levelisation Single and Multi-Metering Arrangements' requests for information (RFI) directly with RECCo following implementation of R0182. The initial drafting of the proposed solution requires that Domestic Supplier would provide the PML Retrospective

Recalculation data to RECCo in January 2025. This would happen in addition to the provision of the same data to Ofgem in the RFIs prior to January 2025.

Following this Consultation feedback, Ofgem have agreed to arrangements to make data sharing with RECCo possible. The legal text has been updated to provide more detailed clarification on the data submission process for Domestic Suppliers for the retrospective recalculation.

Specifically, the amendment facilitates RECCo to use data provided by Ofgem (on behalf of GEMA "the Authority") for the retrospective recalculation where available, removing the need for suppliers to 're-submit' the required data unless RECCo has been unable to obtain this from the Authority. This will streamline the reporting requirements on suppliers, reducing the submission burden on them where possible. The legal drafting is as follows:

> "11.2. RECCo needs each Domestic Supplier's historical Payment Portfolio Data for both single-rate and multi-register electricity meters for each month during the period from April 2024 to December 2024 (inclusive), which data will be obtained by RECCo in one of the following ways:
>
> (a) the Authority may (with the Domestic Supplier's consent) share with RECCo the data which the Authority obtained via its 'Prepayment Meter Levelisation Single and Multi-Metering Arrangements' requests for information (and any subsequent related requests);
>
> (b) if the Authority has not previously provided the data to RECCo, then the Domestic Supplier must submit the data to RECCo by 15 January 2025; or
>
> (c) if the Domestic Supplier has not submitted the data to RECCo by such date, then RECCo may use an estimate for that Domestic Supplier."

Ofgem will communicate with Domestic Suppliers in advance of January 2025 to obtain data sharing permission.

9 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0182 can be found here. This version 1.2 of the draft legal text includes the additional changes proposed following Consultation.

PRELIMINARY ASSESSMENT

10 SUMMARY OF IMPACT ASSESSMENT ACTIVITY

10.1 REC PARTY IMPACT ASSESSMENT

The Code Manager conducted a 10 Working Day impact assessment with REC Parties and Service Users, between 26 July 2024 and 09 August 2024. This impact assessment sought to

understand what changes REC Parties would have to make to accommodate the proposed solution, including estimated implementation and build costs. The Code Manager received one response, from a Domestic Supplier. The respondent has:

- provided a breakdown of their development costs required to adopt the proposed solution;
- indicated that they support the proposed solution, and will be able to provide the required data to RECCo to support the modified PML Reconciliation requirements; and
- suggested a number of legal drafting changes, which have been summarised above in section 9.2.

Regarding the proposed legal text changes specifically, the Code Manager explored the merit of these proposals. Following discussions between the Code Manager and its legal counsel, we determined that none of these changes are substantive in terms of their effect on the proposed solution. As such, adopting them or rejecting them would have no effect on the material functioning of the proposed solution. We decided to adopt all changes apart from stylistic change to date formatting, and the proposed removal of paragraph 11.8. A decision on the removal of paragraph 11.8 will be made following the consultation on this report.

Due to the low response to the impact assessment request, the Code Manager flagged this Change Proposal with Energy UK, in order to see if their members have voiced opinions on the proposed solution. They have confirmed that they did not receive any internal feedback regarding this Change Proposal and would confirm if anything else was raised. To date no response has been received.

11 KEY RISKS ISSUES ASSUMPTIONS AND DEPENDENCIES

11.1 RISKS AND ISSUES

REF.	RISK	NOTES	MITIGATION
R0182.CPP.R001	Milestones in this change plan cannot be met due to the expedited nature of the plan	Milestones have been planned to support the urgency of this change and the Ofgem timetable. There is, therefore, little contingency in the plan for unforeseen activities	The Code Manager and RECCo will resource appropriately to reflect the criticality and urgency of the Change Proposal

11.2 ASSUMPTIONS AND DEPENDENCIES

REF.	ASSUMPTION	NOTES	HOW/WHEN TO VALIDATE
R0182.CPP.A001	Impact on Domestic Suppliers as a result of the R0182 proposed solution	See rationale in section 2.1.3 of the	Partially validated – Lack of substantive REC Party Response is indicative of

	will be minimal compared to R0147.	Change Proposal Plan.	relative lack of impact on Domestic Suppliers. The Code Manager also checked with Energy UK to check this assumption was correct.

REF.	DEPENDENCY	NOTES	STATUS
R0182.CPP.D001	PML Reconciliation mechanism changes must be completed alongside the progression of the REC Change Proposal.	The PML Reconciliation mechanism is owned by RECCo, and changes to this mechanism, including design and build phases, fall outside the scope of this Change Proposal.	Ongoing

12 BUSINESS CASE ASSESSMENT

12.1 COST BENEFIT ANALYSIS - COSTS

COSTS	DESIGN/ DEVELOPMENT COSTS	IMPLEMENTATION COSTS	ONGOING OPERATIONAL COSTS
REC PARTIES*	£1687	Not Provided	Not Provided

*Based on a single respondent

12.2 COST BENEFIT ANALYSIS - TANGIBLE BENEFITS

As part of the Ofgem decision on PML Reconciliation, calculations were provided by Ofgem to support the decision to expand the scope of the PML Reconciliation mechanism to distinguish between single-rate and multi-register Metering Assets. This publication can be found here, and the salient points have been reported below:

Financial Impact of a PML Reconciliation mechanism that does not distinguish between single-rate and multi-register Metering Assets versus one that does:

- Temporary cashflow impact on most Suppliers:
  - +/- £0.01 per customer per year
- Cashflow impact range for all Suppliers:
  - +£0.09 to -£0.12 per customer per year
- Net annual under recovery across all Suppliers:

- £460,000 to £500,000 per year[1]

12.3 COST BENEFIT ANALYSIS - INTANGIBLE BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
POSITIVE RETAIL MARKET IMPACT	The proposed solution will deliver improvements and innovations, by modifying the existing PML Reconciliation mechanism to better capture Domestic Supplier portfolio data.
IMPROVED OPERATIONAL EFFECTIVENESS & EFFICIENCY	The proposed solution will support RECCo in their delivery of the updated PML Reconciliation mechanism by introducing the necessary arrangements for the single-rate vs multi-register split. Benefits will also be felt by REC Parties, due to enabling the required engagement with RECCo on the aforementioned arrangements.

12.4 COST BENEFIT ANALYSIS SUMMARY

The Authority has made a preliminary benefits case for the changes to the PML Reconciliation mechanism. However, as R0182 represents a specific and targeted modification of the original PML Reconciliation mechanism, rather than a novel product in its own right, the Code Manager asserts that the original cost benefit test for the original PML Reconciliation Change (R0147) holds true in the case of R0182.

Limited cost information was provided by Domestic Suppliers to the Code Manager during the development of this Change Proposal. However, from the information provided, the Code Manager believes that costs to Suppliers for the implementation and operation of reconciliation will be low. The addition of direct data sharing Ofgem to RECCo, as noted in the rationale, should also reduce the submission burden and the implementation impact further.

There are no RECCo costs specific to R0182.

13 CASE FOR CHANGE

AUTHORITY DETERMINATION

The Code Manager believes that R0182 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[2]	Positive	Ensures the REC can operate an updated PML Reconciliation mechanism for the timely and accurate invoicing of, or payment to, Domestic Suppliers. This will support the REC Mission statement to deliver positive Consumer outcomes and will fulfil the requirements of Ofgem's Levelisation Policy,

OBJECTIVE	IMPACT TYPE	DESCRIPTION AND JUSTIFICATION
		and the subsequent amendment to ensure that single-rate and multi-register Metering Assets can be distinguished.
To ensure customers interests and data is protected in the operation of the REC	Positive	The proposed solution requires the minimum of additional information to be provided by Domestic Suppliers to calculate the invoices or credits due to them, relative to information provided under the current PML Reconciliation mechanism. The proposed solution also motivates parties to provide their data in a timely manner, to ensure the accuracy of the reconciliation activity
To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs	Positive	The proposed solution represents an improvement in an existing mechanism, namely the original PML Reconciliation system delivered in R0147. Ofgem's intention was always that the PML Reconciliation mechanism be inclusive of a distinction between single-rate and multi-register Metering Assets. As such, R0182 represents the realisation of the original design intent of the PML Reconciliation mechanism and drives improvement in REC systems by allowing higher granularity in data provided by Domestic Suppliers, thus delivering greater reconciliation payment fidelity.

14 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 30 August 2024 to obtain views on the Change Report published for Consultation, found here. In total, two responses were received from Domestic Suppliers. The key themes from these responses have been summarised and set out below.

14.1 COMMENTS ON THE SOLUTION AND PROPOSED LEGAL TEXT

Both respondents agreed that the proposed solution and legal text would resolve the issues identified in the problem statement. One respondent identified a number of proposed changes to the legal text, some of which the Code Manager has adopted, and some which have not been adopted.

Additionally, both respondents agreed that paragraph 11.8 of the draft Schedule 31 should be removed in order to set limits on the scope of Ofgem and RECCo's power to make ad-hoc requests of Domestic Suppliers. As such, this paragraph has been removed.

[1] Range based on differences between calculation methodologies
[2] REC Mission Statement

14.2 IMPLEMENTATION APPROACH AND DATE

One respondent raised a point on implementation approach surrounding the proposed data sharing requirement whereby Domestic Suppliers are required to share PML Retrospective Recalculation data with both RECCo and Ofgem. This topic, and the resulting legal drafting amendments, is covered in sections 8.3 and 15 of this document.

14.3 CASE FOR CHANGE AND CODE MANAGER'S RECOMMENDATION

Both respondents agreed that the proposed solution constitutes a positive case for change. One respondent agreed that the proposed solution is beneficial as it contributes to the evolution of the PML Reconciliation mechanism.

14.4 OTHER COMMENTS

One response identified some additional minor amendments that they thought beneficial.

One response queried the need to continue to submit the data via the existing data templates.

15 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

<table>
<tr><th>DOCUMENT</th><th>SECTION(S)</th><th>AMENDMENT</th><th>REASON</th></tr>
<tr>
<td>Schedule 31</td>
<td>Table of Contents

Paragraph 5.1

Paragraph 8.6</td>
<td>
<table>
<tr><th>Current</th><th>Proposed Changes</th></tr>
<tr><td>Table of Contents – 11 Retrospective Recalculation for April – December 2024</td><td>Table of Contents – 11 PML Retrospective Recalculation for April – December 2024</td></tr>
<tr><td>5.1. Within 15 working Days after the PML Reconciliation Reporting Submission Deadline, RECCo shall send to each Domestic Supplier a statement in respect of that PML Reconciliation</td><td>5.1. Within 15 ~~w~~Working Days after the PML Reconciliation Reporting Submission Deadline, RECCo shall send to each Domestic Supplier a statement in respect of that PML</td></tr>
</table>
</td>
<td>The respondent identified minor typographical changes in the Table of Contents and Section 5.1 that the Code Manager was happy to amend. The change to section 8.6 better reflects terminology used elsewhere in the Schedule.</td>
</tr>
</table>

			Period showing for that Domestic Supplier:	Reconciliation Period showing for that Domestic Supplier:		
			8.6. Paragraph 8.5 is without prejudice to the liability of the original debtor. Any PML Reconciliation Amounts subsequently recovered from the original debtor will, if that amount is equal to or exceeds £1,000 (one thousand pounds) trigger a further adjustment to the statements produced in accordance with Paragraph 8.5, or (if lower) shall be applied so as to reduce the future Recoverable Costs payable by Domestic Suppliers in accordance with Clause 9 of the REC.	8.6. Paragraph 8.5 is without prejudice to the liability of the original debtor. Any PML Reconciliation Amounts subsequently recovered from the original debtor will, if that amount is equal to or exceeds £1,000 (one thousand pounds) trigger a further adjustment to the statements produced in accordance with Paragraph 8.5, or (if lower) shall be applied so as to reduce the future Recoverable Costs payable by Domestic Suppliers in accordance with Clause 9 of the ~~REC~~ main body of this Code.		
			10.3. Any PML Reconciliation Amounts received by RECCo under Paragraph 5 or 8.6 or being withheld under Paragraph 8.4,	10.3. Any PML Reconciliation Amounts received by RECCo under Paragraph 5 or 8.6 or being withheld under Paragraph 8.4,		

		following the end of the period applicable under paragraph 10.1, shall be put towards RECCo's general expenditure (to offset costs that would otherwise be recoverable under Clause 9 of the main body of this Code).	following the end of the period applicable under ~~paragraph~~ Paragraph 10.1, shall be put towards RECCo's general expenditure (to offset costs that would otherwise be recoverable under Clause 9 of the main body of this Code).	
Schedule 31	Paragraph 11.2	Legal drafting changes to facilitate Ofgem data sharing with RECCo.		Greater detail on the drafting changes can be found in section 8.3 of this document.
Schedule 31	Paragraph 11.8	Removal of this section.		A respondent to the Party Impact Assessment identified that paragraph 11.8 imparts powers of undefined scope to RECCo and Ofgem, allowing them to make enquiries of Domestic Suppliers at any point. This respondent argues that this paragraph should be removed. The Code Manager posed this question during Consultation, and all respondents concurred with the decision to remove it.

16 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING - FINAL	Link
CONSOLIDATED IMPACT ASSESSMENT RESPONSES	Link

CONSOLIDATED CONSULTATION RESPONSES	Link
RELATED CHANGE(S)	R0147
ANY OTHER DOCUMENTS / LINKS	Ofgem PML Single-Rate & Multi-Register Letter

17 GLOSSARY

TERM	DEFINITION
Default Tariff Cap*	further information can be found in Ofgem's Decision – Default tariff cap – Overview document.
Domestic Consumer	means a Consumer at Domestic Premises.
Domestic Supplier	means an Energy Supplier which is authorised by its Energy Supply Licence to supply Domestic Premises.
Energy Supplier	means a person which is either or both an Electricity Supplier and/or a Gas Supplier.
Metering Asset	means:(a) in relation to gas, all the components of a meter installation and ancillary equipment, as defined in IGEM/G/1 edition 2; or (b) in relation to electricity, means the equipment associated with a particular meter, including the meter itself and any related current transformer (ct) and/or voltage transformer (vt), communication and/or control equipment, as may be further defined in the BSC.
Payment Method Levelisation (PML) Reconciliation	means the obligations and processes by which payments of the PML Reconciliation amounts are made from and to Energy Suppliers in pursuance of the Levelisation policy.
Prepayment Meter	has the meaning given in the Energy Supply Licences.
PML Retrospective Recalculation*	means the PML Reconciliation true-up which forms the basis of the proposed solution to this Change Proposal, which is to reconcile Domestic Supplier multi-register data from April 24 to December 24.

* definition not currently found within Schedule 1 – Interpretations & Definitions