RETAIL ENERGY CODE

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01	Proposal Plan
02	Impact Assessment
03	Consultation
04	Final Recommendation

CHANGE REPORT

R0255 – TERMS OF REFERENCE UPDATES

DOCUMENT VERSION	1.0
PROPOSED IMPLEMENTATION DATE	07 November 2025
IMPLEMENTATION APPROACH	Big Bang

RESPONSIBLE COMMITTEE	Change Panel	CHANGE PATH	Self-Governance
PRIORITY STATUS	Low	URGENCY	Standard
IMPACTED STAKEHOLDERS	Cross-Code Steering Group, REC Performance Assurance Board		

LEAD ANALYST (SOLUTION LEAD)	TECHNICAL LEAD	SUBJECT MATTER EXPERT
MICA THOMAS	MOLLY FRASER	LORNA MALLON
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OVERVIEW

There is a requirement for the Terms of Reference (ToRs) to be updated to facilitate cross code collaboration within the following committees: REC Performance Assurance Board (PAB) and Cross Code Steering Group (CCSG). To facilitate this there has been minor amendments made to the legal text within both committees ToRs.

CODE MANAGER RECOMMENDATION

The Code Managers minded to position is that the Change Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 07 November 2025.

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BACKGROUND

1 SUMMARY

The REC PAB have approved changes to the ToRs to enable attendance by the Smart Energy Code (SEC) to facilitate cross-code collaboration. There is also a minor clarification on responsibilities.

The CCSG changes will remove limitations on the industry codes that take part in CCSG and so will allow consideration of both issues/ and or Change Proposals from industry codes not listed within the ToRs (Paragraph 2.2).

2 PROBLEM STATEMENT

The current ToRs for CCSG and PAB discussions and attendees have a limitation due to the codes that are listed. This prevents further involvement from other industry code bodies where cross code working is required.

3 IMPACTS

CONSUMERS
N/A

REC SERVICE PROVIDERS
N/A

RECCO / REC CODE MANAGER
N/A

REC PARTIES AND SERVICE USERS
N/A

REC DOCUMENTS / PRODUCTS
REC PAB ToRs
CCSG ToRs

MHHS DESIGN
N/A

MHHS DATA SPECIFICATION
N/A

MHHS CODE DRAFTING
N/A

As this Change only affects the ToRs for the REC PAB and the CCSG, there are no Consumer impacts, and neither are there are impacts on REC processes or services that would result in impacts on either Service Providers or Parties.

4 CROSS-CODE IMPACTS

There are no cross-code impacts that require cross code changes. However, it does facilitate better working practices for CCSG.

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**20 May 25**	**03 June 25**
	Code Manager Assessment	May	June
Change Proposal		**03 June 25**	**24 Jun 25**
	Business Case Assessment	June	June
	Consultation	June	July
	Final Determination	July	August
Voting		**05 Aug 25**	**05 Aug 25**
	Appeal Window	06 Aug 25	19 Aug 25

The change was submitted with a fully formed solution, there is no need for a Party or Service Provider impact assessment as there is no impact. The plan is to go forward to consultation following approval of the plan.

6 STAKEHOLDER ENGAGEMENT

This was approved at both REC PAB and CCSG prior to being raised with the solution pre-approved. There has been no further requirement for stakeholder engagement.

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	0	27	0
	Retail Markets Impact	Innovation and Market Arrangements	0	17	0
	RECCo / REC Party / REC Service Provider Impact	Operational Effectiveness and Efficiencies	1	7	7
		Legal and Regulatory Compliance	1	14	14
Resource	Complexity / Effort / Duration		3	9	28
Strategic Alignment	Contribution to/ Alignment with the objectives of the REC		1	17	8
	Contribution to/ Alignment with RECCo's Forward Work Plan		1		8
Urgency *(The need to progress a change to meet a targeted date)*		Other Planned Activity	1	10	10
				Overall Priority Score (rounded)	75

Priority Status	LOW
Change Proposal Type	STANDARD

The Prioritisation score status for this change is Low as the changes that have been requested are minor adjustments to the legal text. The Change was raised with a fully formed solution with the draft legal text drafted, reviewed and approved by the relevant committees.

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SOLUTION

8 PROPOSED SOLUTION

The Code Manager is proposing the following changes to the PAB and CCSG ToRs:

8.1 AMENDMENTS TO THE PAB TORS (APPROVED BY PAB)

PARAGRAGH	CURRENT TEXT	PROPOSED TEXT
1.2	responsibility for specifying REC Party, Non-Party REC Service User and REC Service Provider security and data protection requirements under the REC and determine action to take following notification of a data protection or security breach in relation to any of the above organisations,	responsibility for specifying REC Party, Non-Party REC Service User and REC Service Provider security and data protection requirements under the REC, other than those that relate to the location of data processing, and determine action to take following notification of a data protection or security breach in relation to any of the above organisations
2.3	The PAB members to be so appointed will be made up of the following voting members: REC Parties • Three member(s) nominated by Parties who are Gas Suppliers and/or Electricity Suppliers; • One member nominated by Gas Transporters; • One member nominated by Distribution Network Operators; and • One member nominated by Meter Equipment Managers. Other Voting Members • One member nominated by the BSC Performance Assurance Administrator; • One member nominated by the UNC Performance Assurance Framework Administrator; • One consumer representative, being either an employee or a nominee of Citizen's Advice or Citizen's Advice Scotland; and • Three independent performance management	The PAB members to be so appointed will be made up of the following voting members: REC Parties • Three member(s) nominated by Parties who are Gas Suppliers and/or Electricity Suppliers; • One member nominated by Gas Transporters; • One member nominated by Distribution Network Operators; and • One member nominated by Meter Equipment Managers. Other Voting Members • One member nominated by the BSC Performance Assurance Administrator; • One member nominated by the UNC Performance Assurance Framework Administrator; • One member nominated by the SEC Performance Assurance Administrator; • One consumer representative, being either an employee or a nominee of Citizen's Advice or Citizen's Advice Scotland; and

PARAGRAGH	CURRENT TEXT	PROPOSED TEXT
	experts who shall be appointed by RECCo for this purpose.	• Three independent performance management experts who shall be appointed by RECCo for this purpose.
2.7	Any PAB member appointed as an REC Party nominee, BSC representative, UNC Performance Assurance Framework Administrator or consumer representative shall remain in office until their resignation has been submitted in writing to the PAB Chair; they have reached the end of their tenure, being no longer than three years from initial appointment; or, they are removed by the RECCo Board in accordance with 2.10. A PAB member coming to the end of their tenure will not be precluded from standing for nomination for a further term, but is limited to two consecutive terms.	Any PAB member appointed as an REC Party nominee, BSC representative, UNC Performance Assurance Framework Administrator, SEC representative or consumer representative shall remain in office until their resignation has been submitted in writing to the PAB Chair; they have reached the end of their tenure, being no longer than three years from initial appointment; or, they are removed by the RECCo Board in accordance with 2.10. A PAB member coming to the end of their tenure will not be precluded from standing for nomination for a further term, but is limited to two consecutive terms.

8.2 AMENDMENTS TO THE CCSG TORS

PARAGRAGH	OLD TEXT	NEW TEXT
1.2	The CCSG shall consider issues and change proposals with cross code impacts from the: • Retail Energy Code (REC); • Balancing and Settlement Code (BSC); • Distribution Connection and Use of System Agreement (DCUSA); • Uniform Network Code (UNC); • Independent Gas Transporters Uniform	The CCSG shall consider issues and change proposals with cross code impacts from any industry code, including but not limited to the: • Retail Energy Code (REC); • Balancing and Settlement Code (BSC); • Distribution Connection and Use of System Agreement (DCUSA); • Uniform Network Code (UNC); • Independent Gas Transporters Uniform Network Code (IGT UNC); • Smart Energy Code (SEC); and • Data Integration Platform (DIP) Rules.

PARAGRAGH	OLD TEXT	NEW TEXT
	Network Code (IGT UNC); • Smart Energy Code (SEC); and • Data Integration Platform (DIP) Rules.	

9 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0255 can be found here.

PRELIMINARY ASSESSMENT

10 BUSINESS CASE ASSESSMENT

10.1 COSTS

There are no costs associated with the delivery of this change, to either REC central systems or to REC Parties.

10.2 BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
Best working practice	The change will allow for best working practice between the REC and the SEC for collaboration.
Better Transparency	The change will allow for SEC to be included within the decisions made within REC PAB and be able to add input.
Improvements to Change proposals and issues	The Changes made to the CCSG ToRS will allow for any code body to raise a change/issue where it has cross code impact. Limitations on the bodies that can raise these has been expanded with limitations removed.

10.3 COST BENEFIT ANALYSIS

The Code Manager believes that this change meets the cost-benefit test, as there is no cost to implement, but significant indirect benefit for both the REC PAB and the CCSG.

11 CASE FOR CHANGE

SELF GOVERNANCE

The Code Manager considers that there is a case for change to implement this solution, on the basis that it:

- is both viable and implementable, and it appropriately resolves the problem statement; and
- is cost effective and proportionate to the anticipated benefit.

12 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link

13 GLOSSARY

TERM	DEFINITION
PAB Terms of Reference	Means the terms of reference for the REC PAB from time to time.
Smart Energy Code (SEC)	Means the code of that name maintained pursuant to the DCC Licence.
Cross Code Steering Group (CCSG)	Means the group of that name described in paragraph 3 of the Change Management Schedule.