RETAIL ENERGY CODE

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01	Proposal Plan
02	Consultation
03	**Final Recommendation**

CHANGE REPORT

R0316 – CLARIFICATION OF DATA ITEMS WITHIN THE PAYMENT METHOD LEVELISATION SUPPLIER DATA REPORTING SPECIFICATION

DOCUMENT VERSION	V1.0
PROPOSED IMPLEMENTATION DATE	17 April 2026 (if a decision from the Authority is received by 15 April 2026, or the next available release following Authority determination)
IMPLEMENTATION APPROACH	Big Bang

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

LEAD ANALYST (SOLUTION LEAD)	TECHNICAL LEAD	ASSURANCE LEAD	SUBJECT MATTER EXPERT
BELA ASHWORTH	FINN DEACON	ANTON MODEN	TIM NEWTON
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OVERVIEW

There is a lack of clarity in REC Schedule 31 – Payment Method Levelisation Reconciliation around the definition of Primary Meter Points, which has led to inconsistent data submission and consequential variation in the allocation of Payment Method Levelisation (PML) scheme debits and credits.

CODE MANAGER RECOMMENDATION

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

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 17 April 2026 or the next available release following Authority determination.

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BACKGROUND

1 SUMMARY

The definition of certain data items within REC Schedule 31 – Payment Method Levelisation Reconciliation is currently ambiguous and open to misinterpretation by Energy Suppliers, which may result in inconsistent data submissions and a consequential variation in the allocation of scheme debits and credits.

Currently, some Energy Suppliers are submitting calculations based on Primary Metering Points, whereas others are submitting based on total Metering Points. Some Energy Suppliers have included Secondary Related Metering Points within their portfolio data and while this approach is understood, it is not aligned with the original intent of the PML scheme.

REC Schedule 31 will be amended to clarify the labelling of data items and the eligible Metering Points to be included in the Energy Supplier's portfolio submission count for the purposes of PML. This clarification is intended to ensure that all Energy Suppliers have clear and consistent guidance when preparing and submitting portfolio data, thereby supporting accurate and aligned reporting across the PML scheme. This clarification is intended to apply on a forward-looking basis only.

Ofgem and RECCo have provided supporting guidance for Suppliers, which can be found here.

2 PROBLEM STATEMENT

There is a lack of clarity in REC Schedule 31 – Payment Method Levelisation Reconciliation around the definition of Primary Meter Points, which has led to inconsistent data submission and consequential variation in the allocation of PML scheme debits and credits.

3 IMPACTS

CONSUMERS
Domestic

REC PARTIES AND SERVICE USERS
Energy Suppliers

RECCO / REC CODE MANAGER
REC Performance Assurance

REC DOCUMENTS / PRODUCTS
REC Schedule 31 – Payment Method Levelisation Reconciliation

MHHS
No impacts identified.

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4 CROSS-CODE IMPACTS

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

5 PROPOSAL PLAN

Milestone	Activity	From	To
Definition		**13 Feb-26**	**02 Mar-26**
	Solution Development	February	February
	Legal Review	February	February
Change Proposal		**03 Mar-26**	**06 Apr-26**
	Consultation	March	March
	Final Determination	April	April
Voting		**07 Apr-26**	**07 Apr-26**
	Issue for Authority Determination	08 April	08 April

6 STAKEHOLDER ENGAGEMENT

This Change Proposal was taken to the Change Issues Group for discussion on 05 March 2026, where Parties had an opportunity to raise any questions or concerns ahead of consultation. Minutes to this discussion can be found here.

This Change Proposal was also taken to the REC Issues Group for discussion on 13 March 2026, to raise awareness for the consultation deadline and give Parties an opportunity to raise any questions or concerns. Minutes to this discussion can be found here.

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	1	17	17
	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		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)	157

Priority Status	HIGH
Change Proposal Type	STANDARD

The Code Manager has given this Change Proposal an urgency score of two as amendments to the template need to be implemented ahead of submissions due 01 May 2026. Subject to consultation responses, the current target implementation date of 17 April 2026 would impact submissions from 01 May 2026 onwards. These amendments are needed to ensure consistency in submissions across industry, as well as relevant PML payments to Suppliers. For this reason, although this Change Proposal does not meet Ofgem's Urgency criteria, we are treating it as urgent and will look to implement this change at the next available release date.

SOLUTION

8 PROPOSED SOLUTION

REC Schedule 31 – Payment Method Levelisation Reconciliation, Appendix 1 will be amended to correctly label the data items, as per RECCo engagement with Ofgem. It will be clarified that a Metering Point eligible for the PML scheme is any Unrelated Metering Point or any Primary Related Metering Point as per definitions in REC Schedule 1 – Interpretations and Definitions.

One new definition will be added into REC Schedule 1. Unrelated Metering Point will be introduced as a new defined term, meaning a Metering Point that does not have any relationship with a Related Metering Point as set out in REC Schedule 28 – Related Metering Points.

9 DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0316 can be found here.

10 RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

There are no risks, assumptions, issues or dependencies identified for this Change Proposal.

11 BUSINESS CASE ASSESSMENT

11.1 COSTS

There are no costs associated with this Change Proposal.

The Code Manager notes potential concerns regarding retrospective adjustments as a result of the proposed changes to the data submission. Ofgem has clarified that R0316 is only intended to apply on a forward-looking basis where no retrospective resubmissions would be required. Undertaking a retrospective recalculation would require significant operational effort from Energy Suppliers, RECCo and other relevant Parties. Given that the impact on the scheme to date has been assessed as minimal, it is not considered proportionate to require the re-collection or recalculation of historic portfolio data. For any further information on guidance, please see Guidance for Suppliers.

11.2 BENEFITS

INTANGIBLE BENEFITS	BENEFITS DESCRIPTION
IMPROVE CLARITY ON SUPPLIER OBLIGATIONS IN THE PML SCHEME	The implementation of this Change Proposal will provide clarity to Energy Suppliers of their PML data submission requirements to the Code. The proposed legal text changes will explicitly state eligible Metering Points and distinguish between total Metering Points and Primary Metering Points.
ENSURE ACCURATE AND ALIGNED REPORTING ACROSS THE PML SCHEME	The implementation of this Change Proposal directly addresses known issues of inconsistent reporting and calculations across the PML scheme. Amendments to the legal text of the Code and to the reporting template are needed to align PML scheme reporting across industry.

11.3 COST BENEFIT ANALYSIS

There are no central systems costs, no expected costs to Parties and two intangible benefits associated with this Change Proposal. As such, the Code Manager believes that there is a positive case for change.

12 CASE FOR CHANGE

AUTHORITY DETERMINATION

The Code Manager believes that R0316 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 implementation of this Change will deliver positive outcomes and improve compliance with Ofgem's PML scheme. Misinterpretations among Energy Suppliers over definitions of total Metering Points and Primary Metering Points has led to inconsistent data submission and consequential variation in the allocation of PML scheme debits and credits. R0316 will clarify these data items and improve data submissions going forward.
To ensure customers interests and data is protected in the operation of the REC	Neutral	This Change has minimal impact on Consumers as it only seeks to clarify Energy Supplier obligations and PML data submissions. It has overall neutral impact in meeting this REC objective as it will neither positively nor negatively impact the protection of Consumer interests and data in the PML scheme.

[1] REC Mission Statement

OBJECTIVE	IMPACT TYPE	DESCRIPTION AND JUSTIFICATION
To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs	Positive	The implementation of this Change will drive continuous improvements and efficiencies in the operation of the PML scheme as it directly addresses a current issue of inconsistent data submissions. Correcting the data items will ensure that future PML payments are based on the correct calculation of Metering Points and that payments are carried out consistently throughout industry.

13 SUMMARY OF CONSULTATION RESPONSES

A consultation was circulated on 04 March 2026 to obtain views on the Change Report (For Consultation). In total two responses were received from Energy Suppliers. The key themes from these responses have been summarised and set out below. The non-confidential responses have been published here.

13.1 SUMMARY OF RESPONSES

Overall, respondents were supportive of the Change Proposal. Respondents agreed that the proposed clarifications would remove ambiguity within the PML reporting requirements and improve consistency in how data items are interpreted.

A small number of points of clarification were raised by one respondent, relating to the assessment of impacts and whether any retrospective reconciliation activity would be required, but no objections to the Change Proposal were received.

13.2 COMMENTS ON THE SOLUTION AND PROPOSED LEGAL TEXT

Respondents agreed with the legal text and confirmed their views that the solution provides the clarity intended, ensuring that the reporting process better reflects the original underlying requirements.

One comment was received related to whether the Change Proposal should trigger any recalculation or reconciliation where previous submissions may have been inaccurate and whether further action would be required if Energy Supplier had received payments based on incorrect Metering Point data.

13.3 BENEFITS RELATIVE TO IMPLEMENTATION AND OPERATIONAL COSTS

Respondents agreed that the Change Proposal carries no material cost impact and delivers clear benefits through improved accuracy and reduced ambiguity in the reporting. No new system development or process changes were identified by respondents.

Respondents largely agreed with the Code Manager's assessment that the benefits outweigh any minimal operational impacts, but one respondent sought reassurance about how a "minimal impact" on Energy Suppliers had been assessed by the Code Manager.

13.4 CASE FOR CHANGE AND CODE MANAGER'S RECOMMENDATION

All respondents agreed with the case for change and the Code Manager's recommendation that R0316 is approved for implementation, however views were mixed on whether this Change Proposal required Authority Determination.

While all respondents agreed that the clarification addressed the problem statement, one respondent considered the impacts sufficiently immaterial and therefore should not require Authority approval. Another response supported the Code Manager's view that an Authority decision is appropriate due to the nature of the change and its potential impact on payments under the levelisation mechanism.

13.5 IMPLEMENTATION DATE AND APPROACH

All respondents agreed with the proposed Big Bang implementation approach and the recommended implementation date of 17 April 2026. Respondents expressed the belief that there is no reason for a delay and confirmed their readiness to adopt the clarified reporting requirements.

14 SUMMARY OF AMENDMENTS MADE FOLLOWING CONSULTATION

No amendments have been made to the solution, business case, case for change, Code Manager recommendation, proposed implementation date, or change path following the consultation.

15 APPENDIX

CHANGE PROPOSAL	Link
LEGAL DRAFTING	Link
RECCO – R0316 – DATA ITEM CLARIFICATION Q&A	Link
CONSOLIDATED CONSULTATION RESPONSES	Link

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16 GLOSSARY

TERM	DEFINITION
Metering Point	has the meaning given to it in the Electricity Distribution Licence, which for the time being means: "the point, determined according to the principles and guidance given in the MRA Transition Schedule to the Retail Energy Code, at which a supply of electricity taken into or conveyed from the licensee's Distribution System: (a) is or is intended to be measured; or (b) where Metering Equipment has been removed, was or was intended to be measured; or (c) in the case of an Unmetered Supply, is treated as measured."
Primary Related Metering Point	means a Metering Point with which other Metering Points (the Secondary Related Metering Points) are related. This concept relates only to electricity and is described further in the Related Metering Points Schedule
Related Metering Points	means two or more related Metering Points as further described in the Related Metering Points Schedule.
Secondary Related Metering Point	means a Related Metering Point which is not the Primary Related Metering Point. This concept relates only to electricity and is described further in the Related Metering Points Schedule.
Payment Method Levelisation Reconciliation (PML Reconciliation)	means the obligations and process by which payments of the PML Reconciliation Amounts are made from and to Energy Suppliers in pursuance of the Levelisation Policy.