RETAIL ENERGY CODE

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NON-CONFIDENTIAL CONSOLIDATED CONSULTATION RESPONSES

R0333 SMART METER COMMUNICATION LICENCE CODE CHANGES

On 06 August 2026 the Code Manager issued a consultation to industry to seek feedback on the Change Report (For Consultation) for R0333.

The purpose of this document is to consolidate the responses and for the Code Manager to answer any questions raised within those responses.

DOCUMENT VERSION	V1.0
RESPONSE TYPE	Non-Confidential
DATE ISSUED	08 September 2026
RESPONSIBLE COMMITTEE	REC Change Panel
LEAD ANALYST	Lydia Bentley

DATE CONSULTATION ISSUED	06 August 2026
RESPONSE DEADLINE	28 August 2026

Question 1:	Do you agree with the proposed solution? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: Support** British Gas supports the proposed solution. The proposed solution appears to provide the necessary updates to the REC to facilitate the transfer of the Smart Meter Communication Licence from Smart DCC Ltd to DCC2 Ltd. This includes recognising the transitional period where both organisations may be responsible for licence conditions simultaneously. We support the objective of maintaining regulatory clarity and continuity during the licence handover. We agree that the REC should be updated so that the relevant DCC service provision, charging and Performance Assurance arrangements continue to operate appropriately during the transition. We note that the change is described as a legal text-only change, with no material impact identified for consumers, REC Parties or Service Users, and no Party impact assessment required. On that basis, we have no further comments on the proposed solution at this stage	Thank you for your response and the rationale provided.

Question 1:	Do you agree with the proposed solution? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
DCC REC Service Provider	Yes - following clarification from the REC Manager, DCC understands that the intent of the proposed solution is for CRS Performance Charges to cease from 1 October 2026, whilst performance monitoring and reporting continue until the Business Handover Transfer Date. DCC further understands that this approach reflects the preference of the REC PAB, which considered alternative approaches and concluded that extending Performance Charges through to the transfer date would create disproportionate administrative complexity for a limited residual period and relatively low level of charge. On that basis, DCC supports the proposed approach to cease the CRS Performance Charge regime from 1 October 2026. DCC agrees that continuing performance monitoring and reporting arrangements, whilst disapplying Performance Charges during the final transition period, represents a pragmatic and proportionate solution. DCC notes that the proposed solution appropriately reflects the transition to the SMCL2 and DCC2 Ltd as a not-for-profit operating model and organisation, for which the existing CRS Performance Charge regime is not intended to apply. Performance levels and reporting arrangements are retained, ensuring continued visibility of CRS performance following the transfer.	Thank you for your response and the rationale provided.

Question 2:	Do you have any comments on the draft legal text?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: No comments at this stage** British Gas has no comments on the draft legal text at this stage. We have reviewed the draft legal text in the context of the change proposal objectives. The drafting appears to align with the intended purpose of enabling the Smart Meter Communication Licence transition from Smart DCC Ltd to DCC2 Ltd, including the associated transitional arrangements described in the consultation documentation. We have not undertaken a detailed legal review of the drafting. However, from a regulatory and operational perspective, we have not identified any concerns with the proposed drafting at this stage. We therefore have no further comments on the draft legal text.	Thank you for your response and the rationale provided.
DCC REC Service Provider	Yes, as noted in our response to Question 1, DCC supports the proposed amendments to the CRS Performance Assurance and Charging provisions. In particular, DCC supports the approach of retaining performance monitoring and reporting arrangements whilst disapplying CRS Performance Charges from 1 October 2026, reflecting the REC PAB's preferred approach for the limited residual transition period. DCC also supports the retention of REC Main Body Clauses 13.12 and 13.13 in the updated drafting. These provisions continue to support	Thank you for your response and the rationale provided. As noted in the response, the Code Manager has modified the draft legal text to retain REC Main Body Clauses 12, 13.12 and 13.13, which were to be removed. The draft legal text has been uplifted from V1.0 to V1.1 to reflect this, where in V1.1 these three clauses are no longer in scope.

Question 2:	Do you have any comments on the draft legal text?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
	future transfer and novation arrangements relating to CRS contracts and Intellectual Property Rights and remain consistent with the obligations contained within the SMCL2. We note, however, that the proposed drafting is necessarily focused on the transition from DCC1 to the Successor Licensee (DCC2). In particular, the revised REC definitions and interpretation provisions introduce concepts specific to Smart DCC Limited and DCC2 Limited. Whilst appropriate for the purposes of the current transition, further amendments may be required in future should the Authority direct the transfer of all or part of the CRS to another provider, or in the event of a future licence renewal process (expected to commence in 6 years) resulting in the award of the relevant licence to a different entity. DCC does not consider this to be a defect in the proposed drafting but notes that further consequential REC changes may be required in such circumstances.	The REC Code Manager understands and acknowledges the issue identified by the DCC in respect of consequential change being required, and will explore this if and when it becomes necessary to do so.

Question 3:	Do you agree with the proposed implementation approach of “Big Bang”? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: Support** British Gas supports the proposed implementation approach. The proposal is described as a legal text-only change intended to facilitate the transition of the Smart Meter Communication Licence (SMCL) from Smart DCC Ltd to DCC2 Ltd. We have not identified any Energy Supplier requirement for a phased implementation approach. A "Big Bang" implementation approach appears proportionate to the nature of the change and provides a clear implementation point for all stakeholders. We have no further comments on the proposed implementation approach.	Thank you for your response and the rationale provided.
DCC REC Service Provider	Yes, DCC agrees with the proposed implementation approach. The proposed "big bang" implementation aligns with the joint integrated business handover plan agreed between Ofgem, DCC1 and DCC2, which is overseen through the Joint Handover Steering Group and delivered in accordance with the Business Handover Plan. DCC considers that implementing the REC changes in line with the established handover arrangements provides the clearest and most	Thank you for your response and the rationale provided.

Question 3:	Do you agree with the proposed implementation approach of "Big Bang"? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
	efficient approach to supporting the transfer of the CRS Provider role from DCC1 to DCC2.	

Question 4:	Do you agree with the Code Manager's assessment of the costs and benefits for this change?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: Agree** British Gas agrees with the Code Manager's assessment of the costs and benefits. **Key points:** • No implementation costs have been identified in the consultation documentation. • The change enables the planned transfer of the Smart Meter Communication Licence. • The change provides regulatory certainty during the transition period. **Rationale** The primary benefit of the proposal is ensuring that the REC continues to support the DCC licensing arrangements throughout the transition from Smart DCC Ltd to DCC2 Ltd. Without these amendments, the REC would not appropriately accommodate the temporary period where both entities may hold the licence simultaneously. On that basis, we agree that the proposal delivers a clear regulatory benefit and represents a proportionate change.	Thank you for your response and the rationale provided.

Question 4:	Do you agree with the Code Manager's assessment of the costs and benefits for this change?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
DCC REC Service Provider	Yes, DCC agrees with the Code Manager's assessment of the costs and benefits for this Change Proposal. We agree that the proposed changes are necessary to facilitate the transition of the CRS Provider role from DCC1 to DCC2 and support the planned implementation of the SMCL2 arrangements. DCC has not identified any material incremental costs arising from the proposed REC changes. Transition activity costs have already been incorporated within the wider Licence Renewal and Business Handover arrangements. Such costs are being managed through DCC's price control frameworks and the associated bilateral agreements established between DCC1 and DCC2 in accordance with the Business Handover Plan.	Thank you for your response and the rationale provided.

Question 5:	**Do you agree with the Code Manager's assessment of the Change Path, that this Change Proposal should be subject to Self-Governance approval by the REC Change Panel?**	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: Agree** British Gas agrees that Self-Governance is the appropriate Change Path for this proposal. **Key points:** • The change is primarily a legal drafting amendment. • No material impacts on consumers, REC Parties or Service Users have been identified. • No Party impact assessment was required. **Rationale** Based on the information presented within the consultation, the proposal appears to facilitate an existing regulatory and licensing transition rather than introduce new obligations, market arrangements or consumer impacts. We therefore agree that Self-Governance is an appropriate approval route.	Thank you for your response and the rationale provided.
DCC REC Service Provider	Yes, DCC agrees with the Code Manager's assessment that this Change Proposal is suitable for Self-Governance approval by the REC Change Panel.	Thank you for your response and the rationale provided.

Question 5:	**Do you agree with the Code Manager's assessment of the Change Path, that this Change Proposal should be subject to Self-Governance approval by the REC Change Panel?**	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
	We consider that the proposed changes are consequential in nature and are required to facilitate the planned transition of the CRS Provider role from DCC1 to DCC2 in accordance with the Business Handover and SMCL2 arrangements.	

Question 6:	**Do you agree with the Code Manager's recommendation that this Change Proposal should be approved for implementation on 01 10 2026? If not, please explain why?**	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: Agree** British Gas agrees with the proposed implementation date of 01 October 2026. **Key points:** • The implementation date supports the planned Smart Meter Communication Licence transition. • The proposal is a legal text-only change. • No material implementation concerns have been identified. **Rationale** We have not identified any reason why the proposed implementation date would be inappropriate. The date appears to provide sufficient time for the necessary code changes to be in place ahead of the licence handover arrangements described within the consultation documentation. We therefore support implementation on 01 October 2026.	Thank you for your response and the rationale provided.
DCC REC Service Provider	Yes, DCC agrees with the Code Manager's recommendation that this Change Proposal should be approved for implementation on 01 October 2026.	Thank you for your response and the rationale provided.

Question 6:	Do you agree with the Code Manager's recommendation that this Change Proposal should be approved for implementation on 01 10 2026? If not, please explain why?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
	We consider the proposed implementation date to be appropriate as it aligns with the agreed approach for the CRS Performance Charges from the start of the Quarter containing the Transfer Date. DCC also supports implementation on 01 October 2026 as it provides certainty ahead of the planned CRS Provider Transfer Date of 02 November 2026 and aligns with the wider integrated business handover arrangements between DCC1, DCC2 and Ofgem delivered in accordance with the Business Handover Plan.	

Question 7:	Do you have any other comments relating to this Change Proposal?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
British Gas Energy Supplier	**Position: No further comments** British Gas has no further comments at this stage. We support the objective of ensuring that the REC can accommodate the transfer of the Smart Meter Communication Licence from Smart DCC Ltd to DCC2 Ltd while maintaining continuity of the relevant charging and Performance Assurance arrangements. Other than the comments provided above, we have not identified any additional issues requiring further consideration	Thank you for your response.
DCC REC Service Provider	Whilst not a direct impact to the REC CP, DCC notes that the detailed operational, commercial and invoicing arrangements supporting the transition from DCC1 to DCC2 will continue to be progressed through the established Business Handover governance arrangements. DCC1 and DCC2 will work collaboratively with RECCo, the REC Code Manager and REC Parties to support a smooth transition and provide appropriate information regarding the implementation of the new arrangements. This will include engagement on charging, invoicing and payment arrangements where stakeholders may be affected by the transition from DCC1 to DCC2 as the CRS Provider. We are undertaking similar engagement with SEC Parties and other affected	Thank you for your response. The REC Code Manager looks forward to continued engagement with the DCC as described in their response.

Question 7:	Do you have any other comments relating to this Change Proposal?	
RESPONDENT DETAILS	**RESPONSE**	**CODE MANAGER COMMENTS**
	stakeholders to support consistent implementation of the wider Business Handover arrangements.	