RETAIL ENERGY CODE

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

PERFORMANCE ASSURANCE BOARD
MEETING MINUTES

MEETING	**RECPAB_22_1220**
DATE	**20 December 2022, 11:00am**
LOCATION	**In-person (1 New Street Square, EC4A 3HQ) and Virtual (via Teams)**

Attendee	Representing	Initials	Role
Jon Dixon	RECCo	Chair	Committee Chair
Paul Everett	Suppliers	PE	Committee Member
Karen Lee	Suppliers	KL	Committee Member
Andy Knowles	Suppliers	AK	Committee Member
Fungai Madzivadondo	Distribution Network Operators	FM	Committee Member
David Brown	MEMs	DB	Committee Member
Anne Jackson	UNC Performance Assurance Framework Administrator	AJ	Committee Member
Steve Arthur	Independent	SA	Committee Member
Dorcas Batstone	Independent	DB	Committee Member
Steve Verdon	Independent	SV	Committee Member
Ben Mulcahy	Gas Transporters	BM	Committee Member
Pete Davies	RECCo	PD	Transformation Director
Elizabeth Lawlor	RECCo	EL	Director of Operations
Walter Carlton	Code Manager	WC	Lead Performance Assurance Partner
Anton Moden	Code Manager	AM	Performance Assurance Lead
Eliana Campbell	Code Manager	EC	PAB Secretary

Attendee	Representing	Initials	Role
Amy Crowe-Lamont	Code Manager	ACL	Committee Secretariat
Gemma Dixon *(Attended for part of Item 5)*	Code Manager	GD	Change Analyst
Jonathan Hawkins *(Attended for part of Item 5)*	Code Manager	GD	Change Analyst
Alasdair MacMillan *(Attended for part of Item 5)*	Ofgem	AM	Senior Policy Manager
Paul Morcom *(Attended for part of Item 6)*	DCC	PM	DCC attendee
John Wiggins *(Attended for part of Item 6)*	DCC	JW	DCC attendee
Marc Towers *(Attended for part of Item 6)*	Moorhouse Consulting	MT	Moorhouse Consulting attendee

1 REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The PAB Chair welcomed attendees to the meeting of the REC PAB. Apologies were given for Colin Griffiths. The PAB unanimously **APPROVED** the minutes from the previous PAB meeting on 29 November, following a minor post-meeting update related to the TDIS Dispute.

One action from the last meeting (RECPAB_22_1129_01) was completed and closed ahead of the meeting. Two actions were closed following updates given through item papers during the meeting (RECPAB_22_0906_03 and RECPAB_22_1129_02).

2 OPERATIONAL UPDATE

The Code Manager provided a verbal update to PAB Members on Performance Assurance activities since the last PAB meeting. The Code Manager outlined that there was cover and clear escalation points on the Service Desk over the festive break. The PAB was also updated that following the implementation of Dashboards, minimal feedback has been received from REC Parties and Service Providers. If Parties do have feedback on usability or functionality, they are encouraged to share this with the Performance Assurance team so this can be picked up as part of continuous improvement. The Code Manager shared that a Performance Assurance webinar is planned to be held in on 12 January, which will cover multiple topics including Dashboards and file validation. The Code Manager reiterated that MHHS activities are expected to become more resource intensive from January onwards.

A PAB Member noted it would be useful to have operational updates provided as papers on a periodic basis. The Code Manager reminded the PAB that the purpose of the update was to be a concise and up

to date snapshot of previous months activity, but agreed a paper update could work on a quarterly basis, to coincide with in-person PAB meetings.

RECPAB_22_1220_01: The Code Manager to provide a short paper with an operational update on a quarterly basis to coincide with the face-to-face PAB meeting rather than the usual monthly verbal update.

SV joined the meeting

3 PARTY ASSURANCE

The PAB was provided with a monthly update on Party Assurance activity, including highlighting some key areas from the paper. Firstly, following the monthly Data Review it appeared there had been an increase in Erroneous Switches (ES). The Code Manager has worked collaboratively with a REC Party to identify these were due to measurement effects, with the cause being due to a difference between the supply start date and the resolution date, which led to the increase.

The PAB was also given an update on Data Cleanse activities related to the Switching Programme. The Code Manager specifically highlighted the 3A flagged report and the expectations for REC Parties in line with the derogation raised by Ofgem. The Code Manager informed the PAB that Management Assertions, a form of escalating Performance Assurance Techniques (PATs), have been issued to REC Parties where the required data cleanse activity has not been completed.

The Code Manager outlined that Switch Meter Reads is a consumer facing issue and an area of focus as there has been consistent challenges for completion in a timely manner, which has resulted in poor performance. The PAB was updated that a survey was issued to gain understanding of the root cause. Responses were received from nine organisations who all confirmed different underlying issues, making it challenging to address centrally through guidance and additional PATs. As a result of this, the Code Manager proposed a review of the process over a three month period and produce associated guidance.

Lastly, the Code Manager updated PAB on Metering and the use of central data with the coverage being inconsistent. The Performance Assurance team attended the Metering Expert Panel (MEP) and a set of potential solutions was agreed.

RECPAB_22_1220_02: The Code Manager to review and update the joint stakeholder engagement plan and present to the PAB the Performance Assurance relevant elements. This aims to identify opportunities to improve engagement with Parties (as highlighted through lack of responses to Code Manager RFCs, Q&M submissions etc).

RECPAB_22_1220_03: The Code Manager to review and provide guidance on what the correct process is for switch meter reads in line with the REC.

PAB Members:

- **APPROVED (unanimously)** the proposed thresholds for risk drivers 6.2 and 10.2.
- **NOTED** the data review and reporting based on the data received by 1 December 2022.
- **NOTED** the actions resulting from the data analysis of the Risk Drivers.
- **NOTED** the clarification requests issued to Parties for December.
- **NOTED** the status of Party data submissions.

AM, JH and GD joined the meeting

4 R0025 SERVICE PROVIDER PERFORMANCE CHARGE

A RECCo representative updated the PAB on the R0025 Change Proposal that seeks to introduce Performance Charges associated to the Centralised Registration Service (CRS). The PAB already monitors the CRS Service Provider's performance on a monthly basis looking at their performance against the service levels as defined in the REC Service Definitions. This change proposes to use this existing mechanism to determine whether Performance Charges should be applied to incentivise performance.

The proposed implementation date is 1 April 2023, which recognises that the service is still relatively new and therefore gives the CRS Provider sufficient opportunity to resolve early life operational issues before Performance Charges are introduced. It was highlighted that there has been extensive engagement on the Change Proposal between RECCo, Ofgem, the Code Manager and the CRS Provider. The Change Proposal and legal text have also been iterated following this engagement, and the full engagement and list of amendments can be found in the Final Change Report. The Code Manager reiterated that whilst CRS Provider has raised some concerns surrounding the existing definitions of service levels, these concerns do not need to be resolved prior to the implementation of R0025 and will need to be picked up in a separate Change Proposal by the CRS Provider. RECCo and the Code Manager have offered support once this has been raised.

A representative from Ofgem who has been closely involved with the development of the Performance Charge approach also attended and explained how it had been designed to align with Ofgem's regulatory price control regime.

The PAB was also updated on the change process and the consultation responses were summarised. The Code Manager highlighted that without the change, there would be no mechanism for incentivising the performance of the CRS Provider to ensure the expected level of service is delivered. The Code Manager reiterated that the performance of the service provider is essential to the appropriate functioning of the market and no material costs or impacts where identified to the CRS provider in the change proposal.

The information provided was well received by PAB Members, and a PAB Member welcomed the collaborative approach between all key stakeholders, and particularly welcomed the engagement with the CRS Provider. PAB Members did raise questions related to the equal weighting applied to all service levels, which not all Members were comfortable would give an accurate picture of real performance. RECCo confirmed that the starting point would be for an equal weighting, but over time once more was known about the performance of the service, this could be reviewed and updated to include weightings at a later point.

The PAB unanimously approved the proposed change solution, proposed implementation approach and the proposed implementation date of 1 April 2023. The decision will now be referred to the Authority for final decision.

Following the PAB decision a PAB Member raised they would like to receive regular updates in preparation for the implementation of the Change Proposal, as well as understanding a timeline for how the scheme would be reviewing within the first year (to consider aspects such as the weighting of service levels).

RECPAB_22_1220_04: RECCo and the Code Manager to provide monthly updates to the PAB on the progress with preparation for the implementation of R0025 Change Proposal, including developing a high level timeline for reviewing the scheme within the first year.

PAB Members:

- **APPROVED** the proposed change solution.
- **APPROVED** the proposed implementation approach.
- **APPROVED** the proposed implementation date of 1 April 2023.

AM, JH, GD and left the meeting

5 DETERMINATION OF THE TDIS DISPUTE

The PAB Chair provided a short paper determining the outcome of the Dispute, and the Final Minutes from the November meeting have been updated to reflect this.

6 DCC WORK-OFF PLAN

The PAB was joined by DCC attendees, who provided a verbal update on DCC Work-Off Plan. The plan reflects the key outstanding areas identified at Programme Exit, and it is being treated as a de facto remediation plan. DCC outlined all the elements that were included in the plan with three fundamentals of the plan not meeting success criteria.

A PAB member asked if missing gate closure was included in the plan. DCC stated that were some incidences of missing SLAs and fixes were deployed into production on 7 December 2022. In addition,

the enduring fix was put into the gate closure processes by Landmark and the gates are being monitored closely.

DCC outlined the first element of the plan that did not meet success criteria, related to missing messages. DCC confirmed that there were two types of missing messages elements, either caused by a service shut down or other causes. DCC have provided the data to the Parties and waiting for the Parties to go through their commercial processes before the changes can be made. DCC confirm to PAB that these are still in flight. A PAB Member outlined the importance of informing Parties, specifically Gas Shippers, that a switch has occurred as they are not Party to the REC and there are implications for the industry. DCC confirmed that the errors that happened were caused at random and due to an issue with the platform.

The PAB was updated that the issue with report analysis is due to complete by 25 January 2023 and will go into production. The Code Manager confirmed that these reports are sent by DCC to the Performance Assurance team and used to populate the dashboards and support knowledge of what is occurring in the industry with regards to switching.

DCC confirmed that the BCDR Plan was still outstanding. The PAB was updated that DCC do not yet have alignment between the Code Manager Technical Services team and DCC with regards to REC Clause 9. DCC confirmed that the Regulation team is reviewing feedback from the Technical Services team and have updated the end-to-end plan. DCC propose a collaborative workshop in January to resolve the outstanding issues. A PAB asked if there is consequential impact for RECCo, who in their comments raised the fact that they couldn't do their annual test, which would have a reputational risk for them if there was an event. DCC stated they have their annual test scheduled for the end of February and will be conducted as planned with the involvement of the switching data service providers to confirm connectivity.

The PAB was joined by a representative from Moorhouse Assurance to provide an update on the DCC's performance. It was highlighted that there are still outstanding items from the plan that were previously mentioned to the PAB. The PAB was updated that BCDR will be managed as agreed and highlighted the importance to ensure the outstanding aspects are governed appropriately. PAB Members expressed some concerns at the level of progress with a key area of focus being the missing messages and improvements are expected.

The PAB noted that DCC will report to PAB on a monthly basis until the conclusion of any outstanding Work-Off plan areas.

RECPAB_22_1220_05: DCC to provide monthly reporting to the PAB until the conclusion of the outstanding areas of the Work-Off plan.

EL joined the meeting and SA, JW, PM, MT left the meeting

7 PAB SELF-ASSESSMENT

The Code Manager outlined that The PAB self-assessment was deferred to the January 2023 meeting, where the survey results will be discussed once PAB Members have provided responses to the Survey.

RECPAB_22_1220_06: PAB Members that have not already done so, to complete the PAB self-assessment survey by 13 January 2023, for discussion of the results at the January meeting.

8 OPEN DATA PRINCIPLES

The PAB was joined by the RECCo Transformation Director who provided an update on the Open Data project, focusing the scope on three key areas of identifying data sources, analysing data sources and facilitating consumer consent. PAB Members were asked how they would like to be involved, and for PAB Members with a particular interest in Open Data to be more closely involved as the project develops.

9 FORWARD PLAN

The PAB discussed and agreed the forward plan.

10 ANY OTHER BUSINESS

A PAB Member raised a request asking what the view of from REC was with regards to Ofgem's Code consolidation proposal. The PAB Chair outlined Codes could potentially merge, however, REC would remain separate with scope of close mechanisms and alignment with the SEC.

11 CLOSE OF MEETING

The Chair determined that the meeting was closed.