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PAGES	**5**

REVIEW OF PERFORMANCE MEASURES FOR REC SERVICES

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FOR DECISION	In this paper, the Code Manager presents the approach for the review of Key Performance Indications (KPIs) used to measure and report performance of REC service. The PAB is recommended to: • **APPROVE** the approach for the review of KPIs for REC Services. • **APPROVE** the plan for the delivery of review for ERDS KPIs.
APPENDICES	**RECPAB_24_1029_04A – Mark-up of the ERDS Service Definition**

1 KEY PERFORMANCE INDICATOR REVIEW METHODOLOGY DETERMINATION

1.1 SCOPE OF THE REVIEW

The Performance Assurance Operating Plan (PAOP) for year 2024/25 includes a review of Key Performance Indicators (KPIs) for REC Services. This review will assess the relevance and alignment of current KPIs with the REC's strategic goals and the evolving market. The review aims to ensure clarity, objectivity, and measurability of existing KPIs, while identifying potential gaps where new metrics are needed.

1.2 OBJECTIVE OF THE REVIEW

This review aims to enhance the effectiveness and relevance of the performance measures applied on REC Service by:

- Ensuring KPIs are clearly defined, objectively measurable, and provide meaningful insights into performance.
- Identifying potential KPI gaps within the Service Definition.
- Identifying areas where stretched targets can improve Service Provider accountability and performance.
- Recommending new metrics to be defined and embedded within the REC Service Definitions via a REC Change Proposal, where required.

The review will result in recommendations for refining or introducing KPIs and enhancing measurement methodologies for a more robust and insightful performance monitoring mechanism.

1.3 THE ROLE OF PAB

The PAB sets the policy, approach and risk appetite for Performance Assurance under the REC. Therefore, through this paper, we provide PAB information on the proposed methodology to review performance measures for REC Services and ask them to approve key decisions on the plan for delivery.

1.4 PROPOSED METHODOLOGY

The review will follow a four-phase approach:

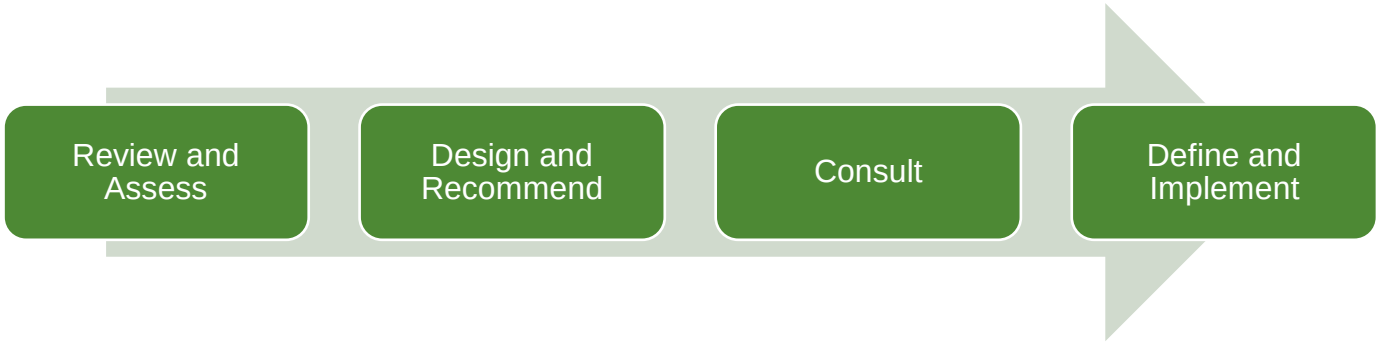


Figure 1: Four-phase process for KPI review

1.4.1 PHASE 1: REVIEW AND ASSESS

The Code Manager will map existing KPIs within the Service Specification documents and identify areas lacking associated KPIs.

1.4.2 PHASE 2: DESIGN AND RECOMMEND

The Code Manager will identify areas for stretched targets to improve Service Provider accountability and performance. New KPIs will be designed and categorised into four buckets:

1. **Compliance:** All existing KPIs belong to this category where we measure whether the service meets their Code obligations. Whilst we will retain this category, we will review the metrics against the Service Specification to ensure:
    a. These are consistently applied across REC Service.
    b. These cover all key requirements, especially those which may cause downstream impacts.
2. **Incentives:** Measures that incentivise positive behaviours and outcomes such as minimising disruption for Service Users, driving reduction in volume of adverse outcomes, reducing incidents and duration of service outages, efficient issue resolution, prevention of recurring issues, etc.
3. **Alarms:** Proactive measures to detect emerging service issues such as early warning systems which highlight deterioration in service before an outage occurs, robust warning signs for potential service user dissatisfaction.
4. **Commendations:** Recognitions for going above and beyond to maintain a higher standard of service than expected by the Code.

1.4.3 PHASE 3: CONSULT

Industry representatives will be invited to provide feedback and insights on the proposed KPIs through dedicated working groups.

1.4.4 PHASE 4: DEFINE AND IMPLEMENT

New KPIs will be defined using the SMART framework (Specific, Measurable, Achievable, Relevant, Time-bound). An implementation plan will be developed and executed, considering hand-offs with the REC Change Process where appropriate.

1.5 APPLYING THIS TO ELECTRICITY REGISTRATION DATA SERVICES (ERDS)

On the PAOP, the first review scheduled is for the ERDS[1] KPIs. The Code Manager has proposed the following plan for the delivery of this review:

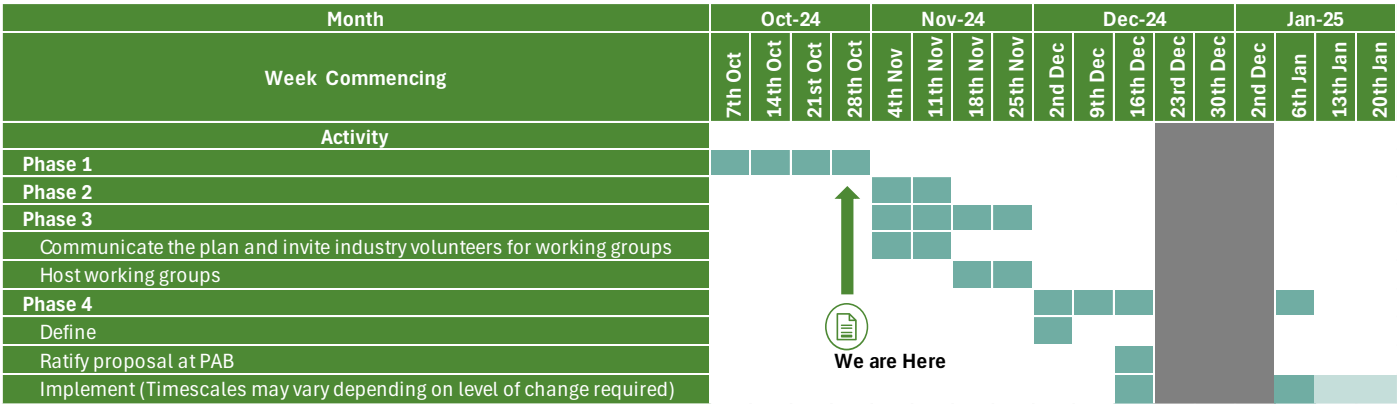


Figure 2: Plan for ERDS KPI Review

[1] Electricity Registration Data Service (ERDS) is a Switching Data Service provided by the Distribution Network Operators (DNOs). It enables the exchange of Registration and Registrable Measurement Point (RMP) data between Electricity Suppliers, DNOs, Meter Operator Agents (MOAs), the Supplier Meter Registration Agents (SMRAs), the Electricity Enquiry Service (EES), the Smart Meter Data Service Provider (SMDSP), the Green Deal Central Charging Database (GDCC), the Market Domain Data Agent (MDDA) and the Central Switching Service Provider (CSS Provider).

1.5.1 OUTPUT FROM PHASE 1: REVIEW AND ASSESS

The Code Manager has attached the analysis in RECPAB_24_1029_04A for PAB's perusal.

The following key has been used for mark-up.

Highlights	Recommendation	Count of identified instances
	Key requirement, sufficiently covered by existing metrics.[2]	8
	Key requirement, partially covered by existing metrics.	0
	Key requirement, not covered by existing metrics.	5
	Covered by existing metric but could be de-prioritised.	0
	Service definition updates recommended.	5

1.6 OTHER RELATED ACTIVITIES PLANNED

In their preparation for introduction of the Code Manager Licensing, RECCo are considering a review of Code Manager KPIs to proactively demonstrate to the Authority their commitment to delivering a high-quality service whilst maintain transparency. PAB should consider there is still a benefit in prioritising the REC Services in the order proposed within the PAOP or if there is an opportunity to review the plan and re-prioritise these reviews.

Suggested options:

1. Continue as planned with the review of ERDS KPIs first.
2. Defer ERDS KPIs to be done alongside GRDS to ensure consistency and instead prioritise REC Services in line with RECCo's initiatives.

Code Manager Recommendation:

Option 2 offers opportunity to

- reprioritise REC Services based on need.
- test and refine the approach by applying it on a less complex service (e.g. which does not involve multiple Service Providers).
- align with other related activities across REC ecosystem.

2 PAB CONSIDERATION

At the meeting in October, the Code Manager seeks views from PAB Members on the following:

- Are there any other types of measures we must consider whilst reviewing KPIs for REC Services?
- Do you agree with the proposed approach?
- Which REC Services should be prioritised based on need? Are there are Services which can be reviewed first to test the methodology?
- Is there anything that the Code Manager should consider whilst planning and delivering these reviews?

[2] Please note that some clauses of the Service Definition may have multiple associated metrics. These are indicated within the comments in RECPAB_24_1029_04A.

- Where PAB determine to continue with the ERDS review as planned, do you agree with plan proposed for the review of ERDS KPIs in section 1.5?
- Do PAB member agree with the initial analysis presented in RECPAB_24_1029_04A? Should any other sections of the Service Definition be included within the review?

REC PAB DECISION



The Code Manager recommends PAB to approve:

- The approach for the review of KPIs for REC Services.
- The plan for the delivery of review for ERDS KPIs.