RETAIL ENERGY CODE

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ASSURANCE OPERATIONAL UPDATE

AUTHORED BY: AQSA NASIR, SERVICE PROVIDER ASSURANCE, REC CODE MANAGER.
REVIEWED BY: ANTON MODEN, PERFORMANCE ASSURANCE LEAD, REC CODE MANAGER

FOR INFORMATION 	This paper provides an operational update on key areas relating to assurance activities delivered by the code managers. Areas covered include: Market Entry and Maintenance of Qualification; Metering Accreditation; Party Assurance; Service Provider Assurance; Communication and the REC Help Desk; REC Dashboard as well as a brief look forwards.

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1 OVERVIEW

The Code Manager committed to providing written operational updates on key areas. In the Performance Assurance Operating Plan this includes updates from each of the key Code Manager activities. This update covers assurance activities and development and we have provided a brief update by area.

We are not repeating updates on areas in which the PAB is provided separate information, particularly MHHS.

2 MARKET ENTRY AND MAINTENANCE OF QUALIFICATION

Over the last year, the Code Manager has continued to work with REC Parties (Suppliers, MEMs and DNOs) and Non-Party REC Service Users (applying for access to REC Services) at every stage of the Market Entry process. There continues to be a high volume of new entrants, with 168 applications over the last 12 months. Compared to prior years, there has been an increase in the number of applications from Safe Isolation Providers (SIPs) and Non-Party REC Service Users that do not fit any of the existing roles on the Data Access Matrices.

Over the last year, the Code Manager has continued to develop the targeted risk-based approach to assurance before Qualifying a Party. For example, a new Market Entry approach was implemented for SIPs meaning they do not have to test the full list of all possible DTN Flows that MOA have to send, only those relevant to SIPs. Additionally, we provide additional guidance for applicants working with a Managed Service Provider, and a new Information Security and Data Protection framework was created to provide guidance on the level of assurance needed for new applications based on the access requested and the market role of the company.

There has also been an increase in the number of Electricity Party applications over the last year, as these Parties wish to qualify prior to the MHHS transition. The REC and BSC have worked together to ensure that there will always be a route open for Qualification during the MHHS transition, agreeing the specific requirements needed depending on when the Party wants to enter the Market.

We will shortly be issuing Maintenance of Qualification deadlines to each Party and non-Party for the calendar year 2025. Some timeslots will move, as we spread the applications through the year. We envisage that this will then be a fixed month for each organisation, unless a security event indicates that earlier work is required.

3 METERING ACCREDITATION

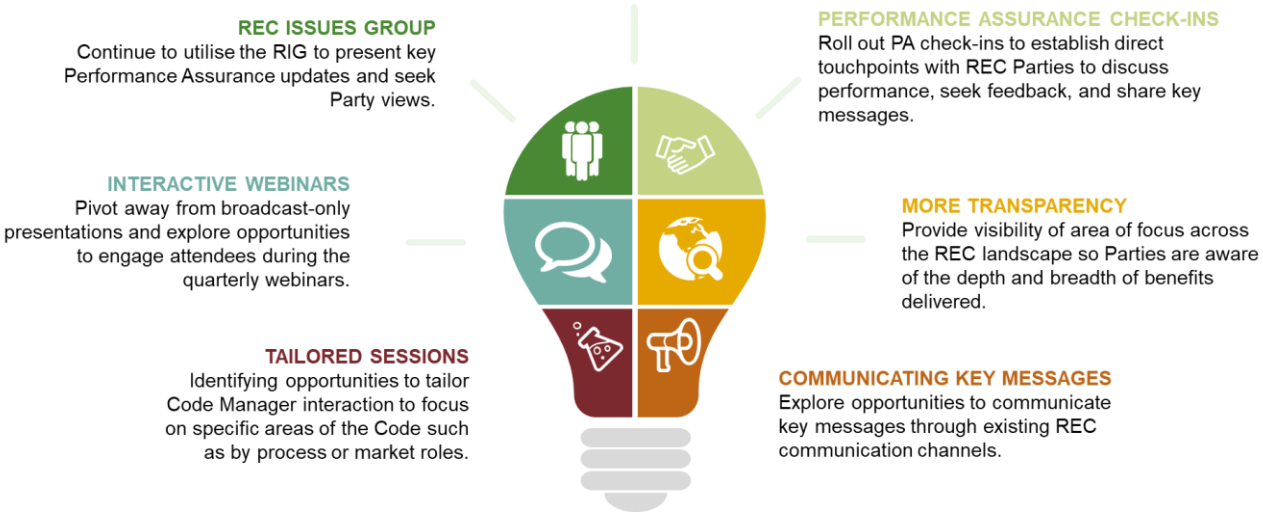
REC Change R0064 was implemented in June 2024, and separated the Electricity MEM accreditations between the physical site work and the portfolio management work, as it was prior to REC. The Electricity Installers are now known as Electricity Metering Operatives (EMOs), and the flow-sending Equipment Managers are now known as Meter Operator Agents (MOAs). Both roles are accredited under CoMCoP, similar to the Gas Approved Meter Installer (AMI) and Gas Meter Asset Manager (MAM) roles.

Consequently, we have developed new Self-Assessment forms for applicants to use during the Market Entry process which focus on the key risks that they will face in their specific role. We have additionally updated various supplementary documentation, including the Metering Accreditation User Guide, Entry Assessment Plans, and CoMCoP Certificate templates to reflect this split in roles.

There are further upcoming REC changes that impact CoMCoP, such as R0152 to revise and clarify which requirements in CoMCoP apply to which Party type. Additionally, the REC Code Manager and RECCo are exploring how to further improve the monitoring of the CoMCoP scheme auditor performance, such as the timeliness and manner of communication between the auditor and the parties before, during and after the audit.

4 PARTY ASSURANCE

Over the last year, we have transformed how we engage with Parties to drive focus on key areas and get better outcomes. This has proven effective thus far. Some of the initiatives we have implemented are reflected in the diagram below:



Our performance monitoring highlighted the objections process under the REC needed to be reviewed and has helped us contribute constructively in the solution development to deliver better consumer outcomes during Switching whilst ensuring there are sufficient safeguards for Suppliers via REC Change Proposal R0155.

Our deep dive into gas metering processes last year as identified opportunities for improvement which are being reviewed via the REC Change process through a series of change proposals.

Our approach to data cleanse, especially the sprints, has been well-received by Parties. In the last quarter, we have commenced the third sprint which is focussing on items related to MHHS transition as well as improving quality of gas metering data. We are considering expanding

areas in scope of data cleanse, e.g. address data quality, which is being developed through REC Change Proposal I0200.

In the coming months, we are focussing on strengthening our Meter Operator Agent (MOA) assurance with introduction of initiatives such as Meter Technical Detail (MTD) reconciliation for electricity meter points.

We are also looking at improving data quality of items such as the Domestic Premise Indicator (DPI) which can impact switching-related processes. REC Change Proposal R0183 has been raised to facilitate this.

5 SERVICE PROVIDER ASSURANCE

We provide regular assurance over REC Professional Services (RPS) and REC Technical Services (RTS) Code Manager Service Providers' performance reporting each quarter and have observed improvements in reporting over the last two years. This led to risk reduction and an annual assessment rather than quarterly assessment. EES, GRDS and GES have maintained an improved performance while the implementation of the GES re-platform in October 2024 is expected to help mitigate some of the issues causing some SLA failures for GES.

Assurance over DCC performance reporting is also carried out quarterly and we have observed an improvement in the accuracy of their performance submission while also following up with them on some of the reasons identified as causing misreporting. R0092A was designed to address the issue of poorly designed metrics and has now been implemented, with changes been made to some of the Service Levels. Recognising that the CRS provider has made significant improvements in their performance, the R0210 – Evolution of the CRS Performance Charge is being worked on by the change team to drive performance improvements of the CRS service.

6 COMMUNICATION AND THE REC HELPDESK

We have continued to focus on improving communication and responsiveness, including for assurance queries raised over the helpdesk. One element of this has been identifying queries that can be handled in the first line team, to provide faster resolution and less passing of queries between teams.

The vast majority of respondents provide a 5/5 feedback score for helpdesk services, with a small number providing less favourable feedback. Any adverse feedback is escalated to senior management so that any issues are addressed appropriately.

We should acknowledge that very few people respond to these surveys – in the last month there were 3 responses out of a total of 160 contacts.

All KPIs were met in the month of October, and Service Desk activity continues to increase with 192 Resolved cases during October.

7 REC PORTAL INCLUDING DASHBOARDS

The Performance Assurance dashboards remain a key point of interaction with Parties and our primarily method for sharing Performance related data with a variety of users. The REC portal itself is maintained by RPS, and the portal design dictates the overall layout and spacing in which the dashboards are published. There have been two notable sets of changes to the dashboards in the last year:

- We collected feedback from parties regarding dashboards following the first year of usage. Based on this feedback and anecdotal discussions with individual users we made changes to the layout and presentation of risk driver related information for Parties which has received positive feedback.
- As part of the UI/UX Portal Project we:
    - Split the previous Performance Assurance Dashboard into three distinct dashboards, with Theft and the Smart Meter Installation Survey reporting now separated. This was performed to reduce the complexity and size of the core dashboard and in preparation for a future change in the portal which will allow Parties to separately grant access to individual dashboards to their users (e.g. allowing a theft team to have access just to the theft dashboard).
    - Updated the dashboard layout to reflect the updated Portal style and structure, also working with the RPS team to change the dashboard layout to allow for more dynamic resizing to accommodate a range of screen sizes.

As part of the UI/UX activity referred to above we also worked with the Portal team to update the layout of the Performance Assurance area within the portal and provide updated guidance and narrative to aid user navigation. User guides and other informational material have been updated to reflect these changes.

8 BETTER INTEGRATION WITH THE CHANGE PROCESS

This year, we have better integrated how assurance is considered and designed through the REC change process by:

- Ensuring PAB have better visibility of changes relevant to the assurance priorities and processes through regular change updates.
- Consulting PAB through solution development so that assurance considerations are taken into account.

To continue on this journey of better integrated Code Manager services, we will work with the Change team to identify which change issues or proposals are best led by PAB as the governing committee. We are also holding a workshop with the change team to identify if there are ways to identify how the solution and the assurance interact earlier in the process, so that assurance is more embedded into the decisions taken around the Code.

9 SUPPORT TO RECCO

An important element of the Code Manager's activities is supporting RECCo deliver its strategy and Forward Work Programme. The assurance team have done so in the following ways:

1. Input into RECCo's response in relation to CRS transfer. This has involved providing input into the current pain points and areas that are working well, as well as providing input into how elements of the service could be delivered if CRS transfer to RECCo is approved.
2. Supporting preparation for engagement in government initiatives, such as the DESNZ's smart and secure electricity system.
3. Provided input into the future REC technology architecture, providing input based on our experience of how Parties engage with REC processes and the opportunities to further develop REC Services to better facilitate market processes.
4. Increased the level of detail of process and system documentation, to support the reprocurement of Code Manager Digital Services. This has focused on the processes and data that are managed by the RPA that will be transitioned to other tools over time, so that the team working on this procurement can develop more detailed procurement documentation.
5. Provided options that could be taken forwards with respect to the Forward Work Programme.
6. Provided expertise and input into theft strategy actions, including the communication of requirements, approaches to industry engagement, evaluation of ETTOS effectiveness.
7. Providing information on the services provided by the Code Manager to inform reprocurement activities, initially the procurement of Code Manager digital services.
8. Providing insight into metering assurance outputs and ways in which the quality of metering assurance can be improved.

Based on the input provided, RECCo determine the appropriate next steps, which at times involve changing, adjusting, coordinating or reaffirming plans.

10 LOOKING FORWARD

Assurance activity needs to evolve with the market. In addition to MHHS, we have supported the following improvement activities:

1. Supporting the development of new microbusiness change of tenancy rules. This was an issue identified through assurance activities, of which RECCo has led the development. We anticipate that there will be a need for assurance of compliance with new Code requirements once they are implemented. We anticipate that this activity would be prioritised through the usual PAOP processes.
2. We expect Ofgem to determine that either DCC or RECCo will be responsible for the delivery of CRS in the future, and need to determine the best way of managing performance in either case, once this decision has been made.

3. Scaling up the market entry team to reflect the additional volumes that will come with MHHS qualification assessments.

Performance Assurance Check-ins, which provide Parties direct access to the Code Manager to discuss Performance Assurance matters, providing a two-way interaction both on what they need to do and on what they are seeing in the market that could be relevant to Performance Assurance. Having received very positive feedback on the pilot PA Check-ins and the initial round of PA Check-ins covering Supplier Parties, we now intend to roll out to other REC Party types over the coming year.