PERFORMANCE ASSURANCE BOARD (PAB) HEADLINE REPORT
Date: 25/02/2025
Via Teams

This Headline Report provides summary of the matters discussed and a record of the decisions made by PAB Members at the PAB meeting on 25 February 2025.

1 REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 28 January 2025. PAB Members reviewed the open and overdue actions.

2 DCC ADDRESS MANAGEMENT CONSULTATION

The PAB was presented with an update from Smart DCC (DCC) on their Address Quality Plan.

PAB Members:

- **NOTED** the update.

3 CRS PROVIDER PERFORMANCE UPDATE JUNE TO NOV 2024

The Code Manager presented the covering paper to support the PAB deep dives for the Centralised Registration Service (CRS), a key REC Service. This update consolidated performance for the relevant period and key risk areas such as Security Accreditation and Address Management.

A RECCo representative presented an update on the planned improvement project developed jointly by DCC and RECCo, informing the PAB of the scope and next engagement with PAB.

PAB Members:

- **NOTED** the contents of the paper.
- **NOTED** the presentation on CRS Improvements.

4 CRS PERFORMANCE CHARGE Q3 FY24_25

The Code Manager presented a paper on CRS Performance Charge for the quarter ending on 31 December 2024, including a request from DCC for exclusions to be applied. This is based on the incentive regime introduced by REC Change Proposal R0025 effective from 01 April 2023, and the maximum quarterly Performance Charge for the current Financial Year approved by PAB in March 2024.

PAB Members:

- **REJECTED** the DCC Performance exemption request. The Code Manager was unable to verify the exemption claim by DCC as supporting evidence was not provided, as required under REC Schedule 6 Annex A Clause 5.8. Should that evidence be made available, the Code Manager will reassess this exemption claim along with next quarter's Performance Charge calculation and present additional information to PAB for decision.
- **APPROVED** the Performance Charges applied to the CRS Provider for the quarter ending on 31 December 2024.

5 DATA ACCESS REQUESTS – NEW CATEGORY FOR THIRD PARTY LEGAL ADVISERS

The Code Manager presented a new category for data access requests, to allow legal firms to request a consumer's gas or electricity meter information and Supplier history to support dispute cases ensuring proper and due legal process, alongside relevant conditions. The purpose of this request is to verify that what has been provided by the consumer is reliable information traced back to a central source.

PAB Members:

- **APPROVED** the Code Manager's proposed alterations to the Electricity Data Access Matrix;
- **APPROVED** the Code Manager's proposed alterations to the Gas Data Access Matrix;
- **APPROVED** the Code Manager's proposed alterations to Appendix 1 of the Data Access Matrix;
- **APPROVED** the Code Manager's proposed alterations to the Service User Categorisation and Assessment Document;
- **APPROVED** the Code Manager's implementation date of these changes for 28 March 2025.

6 DEROGATION REPORT

The Code Manager presented a Derogation Application which will exempt specific Suppliers, who meet the criteria set out jointly under the BSC and REC, from the requirements for the Smart Market Segment (SMS) or Non-Smart Market Segment within the updated REC Code drafting introduced by the Market-wide Half Hourly Settlement (MHHS) Programme.

PAB Members:

- **APPROVED** the principle on the basis of which a Supplier may be granted a derogation when they complete MHHS Qualification with an approved exemption.
- **APPROVED** delegate authority to the REC Code Manager to approve the Derogation for specific Suppliers as part of their MHHS Qualification approval.

The Derogation Register will be updated to capture details of specific Supplier Parties who qualify with the exemption when its Qualification is approved.

7 PARTY ANNUAL RATINGS

The Code Manager presented the background on the REC Party Annual Rating along with the summary-level proposal for the 2024-25 Ratings. This included a discussion on the more complex areas of the design to feed into consultation with Parties on the design of the rating, as well as expected process and timeline, particularly the engagement with industry under the REC Change Process.

PAB Members:

- **APPROVED** the design decisions proposed by the Code Manager as part of consultation on the design of the Party Annual Rating.
- **APPROVED** the types of Party for which the Annual Rating is in scope.
- **APPROVED** whether the overall rating continues to be the preferred approach versus a series of peer comparisons.
- **APPROVED** the accruals basis for the Annual Rating.
- **APPROVED** the subject matter focused upon.

8 TRANSFORMATION RISK IN RECCO

A RECCo representative presented a paper which provides transparency on how RECCo delivers its programme governance and risk management processes and how that mitigates the delivery risk. This was in response to an action in the Performance Assurance Operating Plan.

PAB Members:

- **NOTED** the update.

9 PERFORMANCE ASSURANCE SERVICE PROVIDER UPDATE

The Code Manager provided key updates on Market and Party performance since the prior month, as well as the data review and reporting based on the data received by 1 January.

The Code Manager updated the PAB on the performance of Parties, including a Party who is currently under the review due to a breach in Controlled Market Entry (CME) conditions along with recurring performance concerns.

PAB Members:

- **NOTED** the key updates on Performance Assurance.
- **APPROVED** the suspension of new customer registration should the 40,000 limit on registrations be breached. The CME limit will remain until the Party has sufficient evidence to demonstrate satisfactory closure of the agreed actions.
- **APPROVED** that should the completion of all Action Plan items in the Party Specific Condition PAT be satisfied, the Party would be allowed to resume switching but this would be subject to Periodic Monitoring and a new hard cap limit of 45,000 registrations until the Party has sufficiently demonstrated readiness to exit CME.
- **APPROVED** the proposed PATs to be issued to relevant Parties as outlined in section 3 of the Performance Assurance Paper.

10 SERVICE PROVIDER UPDATE

The Code Manager provided an update on Service Provider performance and noted there had been continuous improvement in performance with particular improvement in GES performance in January compared to the previous month. GRDS and EES continue to perform well. The performance of Centralised Registration Service (comprising of CSS, CSS CA and SO) degraded slightly this month with CSS failing 1 SLA in addition to 3 SLA failures for SO. ERDS continue to perform at a similar level to the previous month.

PAB Members:

- **NOTED** the updates.

11 OPERATING PLAN AND FORWARD LOOK UPDATE

The PAB discussed and agreed the forward plan. The PAB also discussed the draft REC Performance Assurance Annual Report which focuses on the key Performance Assurance activities, challenges and reflections during the previous period. The report covers the extended period between 1 September 2023 and 31 March 2025, to align with the cycle of the REC Forward Work Plan.

PAB Members:

- **NOTED** the forward plan.
- **DISCUSSED** the REC Performance Assurance Report and considered whether all key Performance Assurance activities during the period have been considered.

12 NEXT MEETING DATE

The next meeting of the PAB will be held in-person on 25 March 2025.