RETAIL ENERGY CODE

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MEETING MINUTES

MEETING	**RECPAB_25_0624**
DATE	**24 June, 10:30am**
LOCATION	**In-person**

Attendee	Representing	Initials	Role
Jon Dixon	RECCo	JD	PAB Chair
Dorcas Batstone	Independent Member	DBa	PAB Member
Steve Arthur	Independent Member	SA	PAB Member
Steve Verdon	Independent Member	SV	PAB Member
Angela Joyce	Supplier Representative	AJo	PAB Member
Paul Saker	Supplier Representative	PS	PAB Member
Anne Jackson	UNC Representative	AJa	PAB Member
David Brown	MEM Representative	DBr	PAB Member
Paul Everett	Supplier Representative	PE	PAB Member
Fungai Madzivadondo	DNO Representative	FM	PAB Alternate
Marina Papathoma	GT Representative	MP	PAB Member
Beth Procter	SECCo Representative	BP	PAB Member
Simon Waltho	BSC Representative	SW	Performance Assurance Manager (Elexon)
Faye Brookes-Lewis	Citizens Advice Representative	FBL	PAB Member
Walter Carlton	Code Manager	WC	Performance Assurance Partner
Anton Moden	Code Manager	AM	Performance Assurance Lead
Vaishnavi Sharma	Code Manager	VS	Performance Assurance Manager
Tanya Mason-Hawes	Code Manager	TMH	PAB Secretary
Bailey Robb	Code Manager	BR	Performance Assurance
Anna Weeks	RECCo	AWe	Senior Operations Analyst
Mark Loveday	RECCo	ML	Director of Operations (attending as an observer)
Elizabeth Lawlor	RECCo	EL	Chief Operating Officer (attending as an observer)
Shelley Rouse	Code Manager	SR	Operational Account Manager
Sodiq Lawal (*for item 3*)	Code Manager	SL	Service Provider Assurance
Becky Robinson (*for item 4)*	Code Manager	BR	Performance Assurance Qualification Manager

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Attendee	Representing	Initials	Role
Eve Marriner (*for item 8*)	Code Manager	EM	Operational Account Manager
Elise Handy (*for item 9*)	Code Manager	EH	Operational Account Manager

1. APPROVAL OF PREVIOUS MINUTES AND REVIEW OF ACTION LOG

The Chair welcomed attendees to the meeting of the PAB.

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 27 May 2025. PAB Members reviewed the open and overdue actions. Two actions were closed following information provided in the meeting papers or via a verbal update.

Please refer to the Action Log for a full status update.

2. PARTY ANNUAL RATING

The Code Manager presented an update to PAB following the Annual Rating consultation, outlining the findings from the consultation and the progress to date following the timeline that the Code Manager is working to develop the Annual Rating to. The paper presented PAB Members with a number of key decisions to take, including on I&C specific targets and the annual rating criteria.

The Code Manager informed PAB Members that all the comments from the consultation were included in the paper for their information, and that the Code Manager has sought to focus on areas where there are dissenting views, including around the theft criteria for I&C suppliers.

A PAB Member queried around how this would be allocated and work in practice. They noted there are two types of non-domestic – large scale non-domestic suppliers and SME non-domestic suppliers. They queried how the Code Manager is proposing to identify I&C suppliers, and whether it is just those Parties that do not currently supply domestic. The Code Manager clarified that this will be applied to those Parties who hold a non-domestic licence only.

The PAB Member further queried how this would reflect on those Parties that supply domestic and non-domestic who would also experience the same difficulties in meeting their non-domestic targets as those non-domestic only Parties do. The Code Manager advised PAB that there is an opportunity to split out to those that supply both types, with separate domestic targets and a non-domestic target. The Code Manager further clarified that they would break it down on the domestic and non-domestic side, and that this would provide less incentive for Parties to hit the non-domestic target. They noted that if the target was 25% and above, Parties would not attract a more challenging score and, therefore, it would not impact on a Parties rating.

There was agreement by PAB Members to refer to 'non-domestic' rather than I&C going forward to avoid confusion after the Code Manager's clarification that any change would apply to all Parties that supply non-domestic meters.

The Code Manager outlined the approach for the single annual rating as detailed in the paper presented. The RECCo representative sought assurance that the concerns that were raised by Parties, as detailed in the paper, have been addressed by the proposal that was being presented to PAB and that the Code Manager would ensure they were updated as to the outcome from the decision PAB takes. The Code Manager clarified that the feedback detailed in the paper concerned the non-domestic theft targets which is included within the recommendations and had been discussed by PAB, as reflected above. The Code Manager confirmed that they will feedback directly to those Parties who responded and it would be covered in the upcoming PA webinar and PA Check-Ins.

A PAB Member queried how the ratings are currently used by Parties. The Code Manager advised that they believe they are used internally only within Parties to give them a comparison against their peers. The Supplier representative PAB Members confirmed that these were used internally for comparison purposes but does not factor much into their approach. One PAB Member suggested that if the data went to a more granular level, it could potentially influence a Party's approach, but as it currently stands, the process for arriving at an annual rating is relevant and useful for the Code but not the consumer. The Code Manager did advise PAB that they could increase the peer comparisons in line with the Code and that is within PAB's discretion going forward.

A PAB Member queried whether the REC Board supported PAB's ambition for more information being placed into the public domain. The PAB Chair advised that the feedback from the REC Board was that they do support a very targeted publication of measures and that they want good behaviours, rather than an over publication of information which may dilute the aim of PAB. The PAB Chair suggested that this could be subject to a change process going forward.

A PAB Member suggested that there is a desire for single information peer comparisons around a range of indicators, including theft given the monetary aspect to this. They queried whether there is the ability for peer comparison here as it may incentivise Parties to improve their performance. The Code Manager confirmed that PAB does have the power to do this and that they would bring a proposal to July PAB.

PAB Members:

- **APPROVED** implementing non-domestic specific theft rating scales;
- **APPROVED** the continuing use of a single rating;
- **APPROVED** the annual rating criteria as set out in the consultation (subject to any decisions on energy theft).

NEW ACTION: Prepare a peer comparison proposal for Theft to propose to PAB during the July meeting, following the discussions on the Annual Rating consultation.

NEW ACTION: Communicate with the Parties who responded to the Annual Rating Consultation to update them and thank them for their time and input.

3. DCC SECURITY REQUIREMENT REVIEW

The Code Manager provided PAB with an update regarding the DCC Security Requirement Review further to the paper presented to a meeting of PAB in February where the Code Manager carried out an assessment of the CSS adherence to the security requirement in the Service Definition document. The paper updated PAB on the collaborative working between DCC and the Code Manager to explore different options available to the DCC in relation to security assurance, and invited PAB to select one of the security requirement options presented.

The Code Manager highlighted the recommendation made in the paper to approve the tScheme 3A as the preferred option by DCC . The Code Manager outlined that this provides the coverage that is required by the Code and is certainly cost beneficial, as well as being aligned to other code bodies such as the SEC.

The PAB Chair queried whether RECCo's Security team were aware of this. The Code Manager advised that they would be consulted and involved at the point of the change being raised, and that they would definitely take their views into account through the change process.

NEW ACTION: Include further context and clarification on the DCC security requirement within the June minutes.

PAB Members:

- **APPROVED** the tScheme S3A as the technique to be used in carrying out the audit of the CSS Certificate Authority on an annual basis, and the raising of an associated change.

Per the above new action, further context and clarification on the DCC Security Requirement has been provided below:

DCC security requirements involve a multi-faceted approach to ensure the security of the Smart Metering System. These include System Security, Organisational Security, and Information Security obligations. Key aspects include passing User Security Assessments, implementing robust security controls, and maintaining an Information Security Management System. As part of the above exercise, the below risk areas were analysed to assess their appropriateness of the standards and methodology:

- The CSS Cloud base infrastructure
- The Information Security management system
- Effectiveness of the Certificate Authority
- Landmark's application management and security

tScheme (https://www.tscheme.org/) is a not-for-profit organisation that aims to improve levels of trust in digital economies and provides an independent means of establishing and testing the trust of services to recognised standards. tScheme serves organisations in the Trust-Service Provider sector, providing approval for the services they supply to consumers and organisations. Assessments and audits are carried out by tScheme-recognised Assessors who are accredited by UKAS, the UK's National Accreditation Body responsible for determining the technical competence and integrity of organisations and their services.

4. UPDATE ON DNO OPERATIONAL DISPUTE

The Code Manager presented an update on the DNO Operational Dispute, noting a letter from the DNO had been received as the PAB meeting started and that they had reviewed this during a short break. The PAB Chair noted the extraordinary PAB held on 16 June 2025 regarding the dispute between the DNO and the Supplier and clarified the situation for the benefit of all those in attendance at the meeting.

The Code Manager advised PAB that the DNO, in their letter, has stated that the dispute has affected circa 120 meter points, which is less than originally thought. The Code Manager further advised PAB that there was no timeline provided by the DNO as to when the mismatches would be resolved. The PAB agreed to acknowledge and thank the DNO for their letter, but wished for them to advise of a commitment for when these mismatches would be resolved.

A PAB Member queried whether steps were being taken to ensure the issues surrounding this dispute do not occur again in the future. The PAB Chair advised that at the extraordinary PAB Meeting on 16 June, it was acknowledged that the procedures weren't clear but that DCUSA has now progressed to change and that REC are happy to commit to doing so too.

A PAB Member suggested that PAB needs to support the DCUSA change and support a bigger cross-code review to ensure the REC better aligns in the future. The PAB Chair agreed and suggested that in the short term, actions are clear, in the medium term, they will support DCUSA, and in the longer term, a more holistic review of the interaction between Codes and Government Bodies would be undertaken.

The PAB Chair thanked PAB Members for their attendance at the extraordinary PAB Meeting on 16 June 2025.

NEW ACTION: RECCo and the Code Manager to thank the DNO for their cooperation in agreeing resolution of the misalignment of RMPs between ERDS and CSS, and to request timelines be provided within two weeks for prompt resolution of the mismatches identified to minimise any further disruptions.

PAB Members:

- **NOTED** the update.

5. QUALIFICATION UPDATE

The Code Manager presented an update on Qualification activities including CoMCoP Auditor Escalation in relation to two parties and the MHHS Qualification Approach and Plan in relation to the Balancing and Settlement Code (BSC) and REC.

The Code Manager advised PAB that they are currently helping Wilcock reinforce the process of holding metering companies to account which are not adhering to the CoMCoP Audit requirements, as highlighted in the paper, with their role in supporting the escalation process.

The Code Manager updated PAB in relation to the recommendations. The Code Manager was informed that since publishing the paper, one Party has resolved all of their non-conformance and therefore, it is no longer the Code Manager's recommendation to the PAB to withdraw their accreditation due to their cooperation and significant progress made to date.

The Code Manager did advise that, unfortunately, the recommendation to withdraw the accreditation from the other Party still remains due to their non-cooperation with the Metering Auditor.

A PAB Member queried around the way Parties are contacted, whether this was just an email to their named contact or more intense communication. The Code Manager advised that initial contact is via email but when a decision is made to escalate, a registered letter to their office and an email is sent. The Code Manager did advise PAB that if there was a reason for non-response such as staff illness, it is taken into account and responded to accordingly.

A RECCo representative asked whether the Party has responded to either the Auditor or the Code Manager. The Code Manager advised that the Metering Auditor had spoken to them several times, but the Party has not responded to the Code Manager's letter which specified the process.

The Code Manager advised PAB that if the recommendation is approved, they would write to them and email them a copy of the letter for reference. They will also notify the Joint Office of Gas Transporters, as well as publishing it as part of the REC bulletin.

PAB Members:

- **NOTED** the MHHS Qualification Working Group has endorsed the updates to the Qualification Approach & Plan v4.2 (including Annex 2 v3.1) which will be published after approval from the MHHS Qualification Advisory Group;
- **APPROVED** the withdrawal of the CoMCoP AMI accreditation of L J Hefferman in 15 working days from the PAB meeting;

6. PARTY ASSURANCE UPDATE

The PAB considered an update on Party Assurance from the Code Manager. The PAB noted the key updates on Market and Party performance since last month, with the data review and reporting based on the data received by 1 June 2025.

The Code Manager updated PAB on the progress of R0155, with the original submission deadline being 2 May. The Code Manager advised PAB that some were received late and they have communicated with these Parties. However, the Code Manager has detailed within the paper those Parties that have not communicated with them to date, and the proposal to apply further PATs to those Parties. The Code Manager further advised that there are a number of other Parties that they are in communication with to seek clarification on their response.

A PAB Member noted that one Party had their deadline extended to 23 June, and asked whether they had submitted in this timescale to avoid the PAT being applied. The Code Manager clarified to PAB that of the four Parties, two of which had submitted theirs since the Paper was published; one had received an extension to 23 June but also submitted this prior to the PAB meeting; and one had still not submitted. For this Party who had not yet submitted, an Action Plan PAT was proposed to PAB.

PAB Members:

- **APPROVED** the application of PATs as set out in section 4 of the Party Assurance Paper.

7. OPERATING PLAN

The Code Manager provided an update on the Operating Plan, which included the changes made to the PAB Procedures to allow non-Party REC Service Users to submit Derogation and Sandbox applications.

PAB Members:

- **NOTED** the update.

8. DEROGATION APPLICATION

EM joined the meeting.

The Code Manager updated PAB on a Derogation Application that was received on 27 May 2025 from British Gas Trading Limited. The Derogation relates to the use of the Theft Assessment Calculators for assessing unrecorded visits and is due to the Party investing in Android field tablets which do not currently support the REC Theft Assessment Calculators.

The Code Manager advised PAB of the identified discrepancies in the clauses in Schedule 7 and 8 as detailed in the paper. The Code Manager further advised PAB that discussions are ongoing with an existing change that is being progressed and that if it can be included within that change; if not, it will be discussed at the Theft Issues Group and a separate change raised.

A PAB Member raised concerns that the paper suggested this could be the first of such derogations with others following and that there is no mention of data within the paper, querying whether this would cause problems later. The Code Manager advised that the tool estimates the loss from theft when identified and is used to bill a customer and as input to settlement as the assessed loss. The

Code Manager advised they are aiming to be flexible with Parties as they are aware other Parties are doing something similar too. A PAB Member did suggest it would be worthwhile revisiting in twelve months' time to understand whether the concern remained.

The Code Manager provided further insight into the application, explaining that the tablets purchased by British Gas cannot run the REC Calculator due to the underlying operating system, hence the need for the derogation application. A PAB Member queried if, by using a different tool, it would impact consumers. The Code Manager noted the point being made and suggested that PAB could ask British Gas to run the calculations on their tool and the REC tool and check whether they produce similar results.

Another PAB Member who declared an interest as the Chair of the Theft Issues Group queried if there is transparency around the algorithm being used . The PAB Member provided some further background to PAB in that the REC tool was intended to be used by all Parties so no perpetrator is favoured by any supplier as all will calculate the same outcome. The PAB Member also explained that if it were to be legally challenged in the courts, the Party can rely on it being an industry calculator that is updated annually with the correct factors. PAB noted that the calculator is old and on a platform that does not support apps or mobile devices which presents an issue for most Parties. The Code Manager advised PAB that they could request British Gas and others to test the algorithm by asking them to run a subset of cases and pass the outputs to REC Technical Services to assess whether each is calculating what it should be.

A PAB Member queried whether the expectation of other applications is based on the tool's inability to run on mobile devices (i.e. tablets), thereby preventing Supplier personnel from discussing the calculation when they are with customers. The PAB Member stated that if granted, it should only be on a temporary time basis while the necessary updates to the industry calculator are to be delivered. The Code Manager agreed and stated that this is the decision before PAB, for a time limited approval, while RECCo assess the feasibility of the updates required. A RECCo representative agreed and stated that they would reach out to other industry code bodies in determining whether they should progress with this model. The calculator has been managed independently by the Energy Savings Trust, this having been the case for a number of years. A RECCo representative advised there had been very little feedback provided to them or input from them, suggesting this may be an opportune time to revisit. The PAB Chair suggested that this be taken to the Theft Issues Group as two issues: firstly, the underlying calculation and the tool; and secondly, whether it is fit for purpose in the way in which it is being used.

A PAB Member queried if British Gas has reverse engineered the macros from the existing calculator on excel, and if they had, stated that they using the same calculations. The Code Manager said they were unsure but will find out if that is the case, however, agreed that assuming their tool does arrive at the same figure then neither the consumer nor the TDIS scheme would be negatively impacted.

A PAB Member queried that others may be doing this already without a derogation and stated that they wouldn't want British Gas to think PAB are being over onerous on them if other Parties are

already doing this without permission. The OAM Representative suggested that there is a potential communications piece around this for those other Parties that may be using an alternative tool without the appropriate derogation, asking them to volunteer this information now so they can be added into this derogation, rather than not complying with the relevant obligations which may lead to Performance Assurance interventions.

The PAB Chair brought the discussion to a close, summarising the key points that were discussed above by PAB Members. The PAB Chair suggested that PAB approve a short-term derogation of three months at this stage, further to PAB being provided with the reassurance that there would be no undue advantage or disadvantage to granting this for the full twelve-month period. PAB agreed with the PAB Chair recommendation and PAB requests that British Gas to come back to PAB within the three month period with further details of their calculator to give PAB an indication about the approach they should take.

PAB Members:

- **APPROVED** the Derogation application for three months and a potential extension, subject to confirmation that there is no undue advantage or disadvantage;
- **APPROVED** that the Derogation should apply for the period granted above, unless a clarifying REC Change is made in advance to remove the need for the Derogation;
- **APPROVED** that RECCo provide an update to the PAB within six months of the intended actions to update the Theft Calculator, so that British Gas can be provided good time to prepare prior to the end of the Derogation;
- **APPROVED** that an issue be raised to consider the alignment and requirements of the aforementioned REC Clauses, as well as the form of the Calculator and any assurance required if a request is made to the Code Manager to use an alternative estimation method.

NEW ACTION: Code Manager to request REC Technical Services to attend the next Theft Issues Group (TIG) to discuss methods to validate alternative Theft Target Calculators, following the Derogation application proposed to and approved by PAB on 24 June.

EM left the meeting.

9. DATA ACCESS REQUESTS

EH joined the meeting,

The Code Manager presented two Data Access Requests. The first request was seeking the addition of Independent Connection Providers (ICPs), who work on behalf of the Distribution Network Operations (DNOs) and Independent Distribution Network Operations (IDNOs), to the Electricity Data Access Matrix and the necessary alterations of associated documents. The aim was to understand if meters are installed at properties and whether they are energised, as currently the ICP needs to request confirmation from the appointed Supplier that these stages have been completed. This is time consuming for both parties and information is not normally forthcoming regarding updates, aborted installs or delays.

The second request was due to a review undertaken by the Code Manager of the current categories and MHHS data items that have previously been approved. Some were for Demand Flexibility and are due to an increase seen in Capacity Market requests for the Line Loss Factor. Others were for Electric Vehicle Charging and Third-Party Service Provider (non-switching scenarios - to understand how the MPAN is classified based on metering type) are due to the Profile Class being removed as part of MHHS.

A PAB Member commented that Market Segment is not equivalent to Profile Class ID, so didn't believe it would provide additional information as it is based on meter type and indicator.

The PAB Chair queried how the Code Manager engages with these requests, to which the Code Manager explained that they have a meeting with everyone who accesses the enquiry services and discusses what the essentials/non-essentials are, and provides some steer or slots them into an existing category.

PAB Members:

- **APPROVED** the Code Manager's proposed alterations to the Electricity Data Access matrix;
- **APPROVED** the Code Manager's proposed alterations to Appendix 1;
- **APPROVED** the Code Manager's proposed alterations to the Service user Categorisation and Assessment Document; and
- **APPROVED** the Code Manager's implementation date of these changes for 26 July 2025.

EH left the meeting.

10. INTERACTIVE SESSION 2025/26

The Code Manager held an interactive session for PAB Members to discuss the Performance Assurance Strategy and Planning for 2025/26. Feedback was gathered to support finalising the Operating Plan and included discussions on the insight from work completed so far; what the core activities might be going forwards; and potential deep dive topics. It also involved PAB Members rating a list of potential Assurance activities in order of priority. The final Operating Plan will take effect from 01 September 2025.

The Code Manager informed PAB that a similar activity would also be held for Parties and invitees joining the Performance Assurance Webinar on 02 July, which will then be fed back to PAB Members at the July meeting.

PAB Members:

- **NOTED** the update.

NEW ACTION: Update the Performance Assurance Webinar content to capture the feedback from the Interactive Session held with PAB on 24 June

11. AOB

RECCo provided an update on the background to the R0207 Change (to allow the appointment of different MOAs for Import and Export Metering Points on a shared meter) and on the progress made since Ofgem sent the modification proposal back (on 30 May 2025) for further work. The PAB Chair explained that R0207 is attempting to address the issue around how Suppliers are charged for export metering services versus import metering, as some export Suppliers are being charged uncompetitive rates and do not have a choice in the appointment of the MOA. The Change is aiming to provide greater transparency, as well as a means of disputing the charges where Suppliers feel they are unfair (whereby the escalation route would be via the PAB).

The PAB Chair also noted that Suppliers were in support of the Change, whereas Metering Agents felt it was beyond the requirements of the REC and was imposing constraints on their commercial terms. As such, the Metering Expert Panel did not approve the Change. At present, a response to Ofgem or an alternative proposal has not been drafted. PAB Members discussed the issues surrounding the export charges, including the lack of understanding across the industry about how exports work (including the REC obligation that the same MOA must be appointed for imports and exports) and that some Metering Agents decline to provide the service and will not enter commercial negotiations. Further, a PAB Member explained that one of the current issues they are facing is the different rates for MOA services for import metering versus export metering, and they've struggled to settle the export energy (and consequently recover the costs) as they are unable to appoint the Metering Operators.

A RECCo representative explained that they'd worked with Ofgem to obtain a send back, rather than an objection, which was a positive outcome and provides the ability for further conversations, and the feedback received during the PAB meeting suggests this should remain a priority.

The PAB Chair advised that when PAB members receive emails from IASCO (the same company that carried out the GDPR training), this will be for the Competition Act Course.

12. NEXT MEETING DATE

The next meeting of the PAB will be held online on 29 July 2025.

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