RETAIL ENERGY CODE

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PERFORMANCE ASSURANCE BOARD (PAB) HEADLINE REPORT

Date: 16/12/2025
In-person

This Headline Report provides a summary of the matters discussed, and a record of the decisions made by PAB Members at the PAB meeting on 16 December 2025.

1 APPROVAL OF PREVIOUS MINUTES AND REVIEW OF ACTIONS LOG

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 25 November 2025. PAB Members reviewed the open and overdue actions. Six actions were closed following information provided in the meeting papers or via a verbal update.

2 DEROGATION APPLICATION

The Code Manager presented a Derogation Application that had been received on 1 December 2025. The Derogation related to a request to recalculate the 2025/26 Theft Detection Incentive Scheme (TDIS) year targets for a Supplier Party, by adjusting the consumer segment type within their portfolio.

The Derogation was requested as the Supplier Party did not submit an adjustment through the existing derogation (RECDER_22) that allowed for correction prior to the Theft Target calculation.

The PAB:

- **APPROVED** aspects of the Derogation Application, including the timescales and recommended conditions.

3 R0280 – CSS CERTIFICATE AUTHORITY AUDIT CLARIFICATION – CHANGE REPORT (FINAL RECOMMENDATION)

The Code Manager presented the PAB with the R0280 – CSS Certificate Authority Audit Clarification – Change Report (Final Recommendation) as the responsible committee for the change.

The PAB considered the paper and:

- **APPROVED** the proposed change solution;
- **APPROVED** the proposed implementation approach; and
- **APPROVED** the proposed implementation date of 27 February 2026.

4 PARTY ASSURANCE UPDATE

The Code Manager provided updates on Party Assurance, including on a review of annulments, the proposed changes to the retail risk register, and the unqualified MEM appointments.

The PAB:

- **APPROVED** the amendment to the threshold for Risk Driver 12.3 (Annulments), the addition of Risk Driver 11.1 (ETTOS Lead Matching), and the publication of the revised 'Risk Register v5.1'.

5 NEW RISK DRIVERS – INTERACTIVE WALKTHROUGH

The Code Manager provided the PAB with an interactive walkthrough of the new Risk Drivers included within the recently approved Risk Register. This provided PAB Members with an opportunity to further their understanding of the six new risk Drivers, the background for their introduction, and the thresholds for market performance. The new Risk Drivers are: 7.27, 7.28, 7.29, 8.12, 8.13, and 11.1.

The PAB:

- **NOTED** the update.

6 OPERATING PLAN

The Code Manager updated the PAB on the Operating Plan, detailing the actions taken for the month of December and the planned activities for the next few months.

The PAB:

- **NOTED** the update.

7 CROSS-CODE RISKS AND INTERDEPENDENCIES (INTERACTIVE SESSION)

The Code Manager hosted an interactive session for PAB Members as part of the Cross-Code Risks and Interdependencies Deep Dive that was approved at the PAB Meeting in November 2025. In advance of the session, PAB Members were provided with a pre-read paper to allow them to consider key prompts in advance of the discussion.

The interactive session enabled PAB Members to develop their understanding of material cross-code risks that cut across retail energy market code boundaries and allowed them to identify and recommend risks to be prioritised through the Code Manager's ongoing Deep Dive.

The PAB:

- **NOTED** the interactive session.

8 AOB

In relation to the CSS and ESS data misalignment issue, the Code Manager sought PAB's approval, in principle, to share the data with the BSC to allow them to assess the impact of the issue. The PAB provided approval in principle. The Code Manager will check with both RECCo and DCC before any data is shared.

The PAB Secretary provided an update on behalf of the PAB Chair on the Ofgem consultation on the Change of Tenancy (CoT) process. The PAB Chair noted that RECCo will participate in Ofgem's CoT working group and that it may be a potential new assurance area for inclusion in the REC Risk Register and PAOP. The PAB Chair noted that the call for input closes on 20 January 2026, with decisions targeted for Spring 2026, with any changes to the REC likely to appear in the 2026/27 PAOP as an emerging workstream.

9 NEXT MEETING DATE

The next meeting of the PAB will be held online on 27 January 2026.