RETAIL ENERGY CODE

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MEETING MINUTES

MEETING	**RECPAB_26_0602**
DATE	**02 June, 10:00am**
LOCATION	**Virtual Teams**

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 Everett	Supplier Representative	PE	PAB Member
Anne Jackson	UNC Representative	AJa	PAB Member
David Brown	MEM Representative	DBr	PAB Member
Fungai Madzivadondo	DNO Representative	FM	PAB Member
Shiv Singh	GT Representative	SS	PAB Member
Simon Waltho	BSC Representative	SW	PAB Member
Beth Procter	SEC Representative	BP	SEC Representative
Shelley Rouse	Code Manager	SR	Operational Account Manager
Scott McPhillimy	Ofgem	SMcP	Ofgem Representative
Anna Weeks	RECCo	AWe	Service Manager
Walter Carlton	Code Manager	WC	Performance Assurance Partner
Anton Moden	Code Manager	AMo	Performance Assurance Lead
Andrew Waghorn	Code Manager	AWa	Performance Assurance Analytics Lead
Daniel Rodgers	Code Manager	DR	Performance Assurance Manager
Tanya Mason-Hawes	Code Manager	TM	PAB Secretary
Kat Higby	RECCo	KH	Assurance Integration Lead
Joy Nnanami	RECCo	JN	Assurance Manager
Carrie Shannon	RECCo	CS	Project Manager

Kevin Redmond	Moorhouse	KR	PAB Observer
Nicola Garland	Moorhouse	NG	PAB Observer
Lewis McKenzie	Moorhouse	LM	PAB Observer
Kev Duddy *(for item 3)*	Code Manager	KD	Operational Account Manager
Jemma Johnson *(for item 3)*	RECCo	JJ	Metering Lead
Rebecca Griffiths *(for item 3)*	RECCo	RG	Service Delivery Manager for Metering
Andrew Wallace *(for item 4)*	RECCo	AWal	Operations Lead
Chris Stock *(for item 4)*	RECCo	CS	Project Lead
Florentina Monea *(for item 4)*	Code Manager	FMo	Change Analyst
Victoria Crossan *(for item 6)*	Data Communications Company (DCC)	VC	Service Manager

1 APPROVAL OF PREVIOUS MINUTES AND REVIEW OF ACTIONS LOG

The Chair welcomed attendees to the meeting of the PAB. No apologies were noted.

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 28 April 2026. PAB Members reviewed the open and overdue actions. Four actions were closed following information provided via a verbal update.

2 UPDATE ON CODE MANAGER EVOLUTION PROJECT

RECCo updated the PAB on the progress of the Code Manager Evolution (CME) Project and its overarching assurance strategy (which has been presented to the RECCo board) and update on the three sub-strategies for Parties and Service Users, Service Providers, and Operational/Governance assurance.

The PAB Chair welcomed Kat Higby (RECCo) in her role as Assurance Integration Lead.

PAB Members were advised that the overarching Performance Assurance strategy has been approved internally and that the supporting strategies and strategic products are now nearing completion. These products are expected to include the updated Risk Register, Performance Assurance Methodology and Operating Plan, which they intend to provide to PAB prior to the paper publish day on 30 June, and in advance of the related consultation going live on 07 July. RECCo also advised that they've been carrying out workshops with regards to these products, which has been beneficial to have multiple providers on the calls and enabled them to call out dependencies and clarify some confusions. RECCo will also be joining the Performance Assurance team for the quarterly webinar on 7 July to discuss the consultation and how the service will be changing from 1 September.

RECCo have been working on developing business processes which map out the different interactions across key assurance activities which involve all of the service providers, as well as developing decision making principles. A review of REC Schedule 6 has already been completed,

with no changes currently required. They have also enlisted the support of legal councillors to help understand what changes are required to uplifted from REC Schedules and are currently waiting for the output of that review.

RECCo are continuing with their recruitment activity, to include a PAB and Staff Secretariat, which will support the PAB from 1 September. Knowledge sharing workshops with RPA will continue, as well as the upcoming collaboration day on 1 July.

A PAB Member commented that the Summer period is notoriously difficult to engage with people, and was concerned there was not enough time for amendments to be made to the Performance Assurance Framework products following the PAB review on 30 June (and in time for the consultation go-live on 7 July). RECCo responded to clarify intention to circulate material to members as early as practicable, including in advance of formal paper deadlines where feasible, and to use proportionate governance routes should any decisions be required at pace.

The PAB:

- **NOTED the update.**

3 DEML SANDBOX UPDATE

KD, JJ and RG joined the meeting.

The Code Manager, alongside RECCo's Metering Lead and Service Delivery Manager for Metering provided an update on the expanded risk assessment of the approved Sandbox which follows an action by PAB at the March meeting.

The RPS Code Manager summarised the status of the DEML Sandbox trial, including additional risks and mitigations identified since initial approval. Some gaps were highlighted in the current process, which were written into the paper, and as there will be a new Sandbox and Derogation lead starting in the next couple of weeks, those lessons learned will be feeding into that.

PAB Members discussed the option of limiting the Sandbox to this one current trial until sufficient data is available, with lessons learned to inform future processes.

A PAB Member noted their concern around suppressing innovation should Sandbox applications be restricted. The PAB Chair noted the appropriateness of having a first-come, first-served approach that might inadvertently constrain future innovation or create inequitable outcomes for later applicants. The RECCo Service Delivery Manager for Metering explained that they wrote a response to the draft paper in December to support the recommendation at that time to reject the Sandbox application, as it represented a precedent that risked bypassing the Change process itself. Going forward, they were keen to ensure the process is managed in a controlled manner, and that PAB Members, RECCo and Code Manager act in full appreciation of the associated risk.

The Code Manager noted that there should be a balanced approach to Sandbox applications, not every Sandbox needs to be open to everyone, and that decisions should depend on factors such as how long the trial will run, how soon it starts, and whether it can deliver useful learning quickly. Ideally, a Sandbox should be short, focused, and lead directly to change.

The PAB Chair commented that Ofgem are encouraging more innovation and market growth, and as such Sandbox decisions should support new and disruptive ideas where possible. However, this must be balanced against technical, safety, and process risks, meaning decisions need careful judgement rather than a simple yes/no approach. The Ofgem representative responded to note that Ofgem is still working through how to balance innovation and growth with consumer protection and that the issue is still evolving, so the best approach is to keep learning, discussing openly, and refining the process as it develops.

Further, the RECCo Service Delivery Manager for Metering highlighted that I0278 has already been raised, directly in response to Ofgem's strategic direction statement, with the purpose of improving the situation for all potential market participants around safe isolation.

A PAB Member said they were uneasy agreeing to pause further similar Sandbox applications without a clear threshold, because the statement “until the DEML trial delivers data” is too subjective. They asked for a more definite measure before supporting the proposal. The RECCo Metering Lead agreed that the PAB Member’s point was valid as the Sandbox was originally not expected to be approved, no timelines or follow-up actions were set. As DEML is only working with one Party and volumes are still uncertain, it is not yet possible to set a firm timeframe for when meaningful data will be available.

The PAB Chair proposed agreeing a principle, rather than a formal decision, that no further Sandbox applications which are materially repetitive of the current DEML approach should be approved unless they are materially different, offer new learning, and have appropriately mitigated risks. This would avoid repetitive applications while preserving flexibility to assess any future proposals on their individual merits.

A PAB Member supported the proposal and noted that, when reviewing Sandbox arrangements more broadly, the process should also consider whether a Sandbox could transfer to another Supplier if circumstances change.

NEW ACTION: The Code Manager to obtain an update from DEML on the progress and experiences of their Sandbox trial, including any relevant data and learnings. This is to be combined with the Quarterly Sandbox and Derogation update scheduled for 30 June.

The PAB:

- **NOTED** the expanded risk assessment of the DEML Sandbox;
- **AGREED** that this trial will test this specific use case and feed in to the relevant change, and therefore PAB are not minded to grant similar trials. Different use cases will still be assessed on their merits and granted when appropriate.
- **AGREED** that action RECPAB_26_0324_05 can be closed, and development of future documentation and process changes to be incorporated within the wider service realignment, beginning mobilisation in June 2026 and due to go live in September 2026.

KD, JJ and RG left the meeting.

4 TARIFF INTEROPERABILITY UPDATE

AW, CS and FM joined the meeting.

RECCo’s Operations Lead (working in the Market Design team and supporting Tariff Interoperability on governance and Performance Assurance) and Project Lead for the Tariff Interoperability Project presented an update on Tariff Interoperability, including the Phase 1A implementation timetable and the proposed Performance Assurance approach. PAB Members were advised that the assurance model is intended to combine routine and ad hoc reporting, self-assessment testing, supplier engagement, attestation in advance of go-live, and use of a monitoring tool to validate supplier endpoints. The PAB noted that the proposed approach is intended to provide both pre-implementation readiness assurance and ongoing visibility of performance once the arrangements go live.

A PAB Member queried how ad hoc reporting would operate in practice and suggested that further consideration should be given to the treatment of unmetered supplies within scope, given that PARC reporting is done on a routine bases and this is a change to that form of reporting.

PAB Members also discussed the implications of the tariff data model being intentionally open in Phase 1A, including the potential for misuse of the data once published. It was noted in response that the Phase 1A design is predicated on open access public tariff data, but that they do welcome any feedback as part of the Party impact assessment and consultation. As the model is intentionally designed to be open, access to tariff data will therefore not be subject to restriction or close control. More stringent controls may be considered at a later stage, particularly in Phase 1B, when customer-specific data is introduced.

The PAB:

- **NOTED** the update.

AW, CS and FM left the meeting.

5 OPERATING PLAN

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

The PAB:

- **NOTED** the update.

6 ADDRESS QUALITY PLAN DEEP DIVE

VC joined the meeting.

The Data Communications Company (DCC) Service Manager, alongside the Code Manager, presented updates on address quality.

The Code Manager explained that R0283 established a role for the Code Manager to review the relevant documents and make specific recommendations. He explained that the paper sought to discharge that role in a supportive and pragmatic manner, recognising that DCC had met most of the relevant Code requirements, with one requirement only partially met in relation to activity timetables. Further, he clarified that additional engagement activity was planned but had not yet been reflected in the published timetable. The paper is intended to provide a forward view of the activity sequence so that appropriate targets can later be set with PAB involvement, while ensuring the address cleanse is prioritised alongside other Code-related activities.

A PAB Member asked whether the work to date had identified any regional patterns or particular organisations that were performing worse than others on address management.

The DCC Service Manager responded that the work had identified regional variations in address quality issues. Ongoing activity is focused on preventing errors at source and improving standardisation, including through work under I0200. A pilot involving two DNOs and a gas transporter, using an address prioritisation matrix to target higher-priority consumer-impacting cases, had delivered positive results, including a 15% reduction in unmatched addresses with invalid postcodes for one DNO. The Code Manager added that gas performance appears weaker overall, while most electricity distributors perform well, with only a small number of iDNOs showing issues. The focus is on addressing root causes, including timely meter point location updates by DNOs and suppliers.

The PAB Member further asked what support could be offered to underperforming IDNOs and whether the issue was caused by limited awareness, capability, or a lack of incentives.

The Code Manager commented that the current REC arrangements are working as intended: risk drivers and thresholds are identifying consistently poor performers, and issues are usually caused by lack of awareness rather than deliberate non-compliance. Concerns are typically addressed through proportionate Performance Assurance techniques that escalate only if the issue is not resolved.

A PAB Member highlighted that the first I0200 meeting is scheduled for 11 June at 10am.

The PAB:

NOTED the recommendations made in Section 3 of the paper.

VC left the meeting.

7 SERVICE PROVIDER ASSURANCE UPDATE

The Code Manager presented the quarterly Service Provider assurance update. An issue relating to missing messages had been identified, creating a risk that switching information may be recorded incorrectly between DCC systems and DNOs. Most affected organisations had responded positively and taken corrective action; however, one organisation had been significantly slower to engage, and an information request had therefore been issued. Should the issue remain unresolved by the time of the next PAB meeting, a further update would be provided and stronger action may be considered.

The performance overview highlighted two main issues. First, the Electricity Enquiry Service (EES) showed a dip in February which was attributed to new MHHS reporting rather than any user-facing performance concern, and work is underway to ensure the measures are corrected. Secondly, the Gas Enquiry Service (GES) continues to be flagged for slow latency, although had change R0299 already been implemented, this issue would likely not have been identified in the same way, as that change would have clarified the relevant latency requirements.

The PAB:

- **NOTED** the update.

8 CRS PERFORMANCE CHARGES 2026-27

The Code Manager presented the routine approval of Central Registration Service (CRS) performance charges, which are required to be considered on a regular basis. DCC is afforded the opportunity to provide any relevant explanation, mitigation, or alternative interpretation before charges are approved, but there was no exemption request received from DCC this month.

A PAB Member observed that the performance charges appear to be set at a level too low to justify the effort and administration involved in challenging them. The Code Manager acknowledged that while the charges were set at a relatively low level, they had nonetheless had a positive behavioural effect in incentivising improvements in DCC's performance, particularly in relation to service desk performance and incident management. While the financial benefit was modest and should not be overstated, the charges do appear to have contributed to measurable performance improvements over time.

The PAB:

- **APPROVED** the Performance Charges applied to the CRS Provider for the quarter ended 31 March 2026 in line with the REC Performance Charge regime introduced from 1 April 2023 and the Performance Charges scale approved by PAB in March 2025.

- **NOTED** that no exemption request was submitted by the CRS Provider for this period.

9 PARTY ASSURANCE UPDATE

The Code Manager presented the Party Assurance update, including the conclusion of the previous data cleanse sprint and proposed design for Sprint 6.

Sprint 5 had been relatively successful in terms of Parties meeting target, and that the proposed Sprint 6 design had been developed taking account of feedback from the earlier cost-benefit review. Several existing reports, primarily those relating to metering details in support of MHHS, were proposed to be carried forward, with revised targets intended to place greater emphasis on resolving newer issues promptly rather than requiring extensive cleansing of increasingly historic data. Further, one new report was proposed in respect of disconnected MPANs that remain registered to a Supplier, with a pragmatic target of 30 working days.

A PAB Member asked whether the degradation in invalid topline performance reflects poor engagement by certain Parties, which Parties are involved, and whether any further action beyond updating the guidance could be taken to improve engagement. The Code Manager noted that the issue was more prevalent among Parties with larger portfolios and that it was complicated by the shared responsibilities of Suppliers and DNOs. In addition to clarifying the guidance, existing forums and Performance Assurance webinars would be used to reinforce the importance of resolving the issue. The focus would remain on the prepayment population most affected by the migration.

While Risk Driver 11.1 currently assesses whether ETTOS leads have been investigated, a single lead can in some cases relate to multiple meter points and Suppliers, creating complexity where a Party may not have been responsible for all associated meter points. The proposed change would treat a lead as investigated where a Party had completed at least one relevant investigation linked to that lead. This is considered to be a more proportionate approach, reducing the risk of Parties being unfairly penalised where they were not responsible for every associated meter point.

The Code Manager presented an update following REC Change R0155, non-domestic suppliers are required to submit the quarterly 1450 report in order to monitor performance under the Change of Occupier process. Submission rates were reported to be generally strong; however, at the time the paper was prepared, 11 of the 67 required Parties had not submitted either a return or a nil return, the majority of whom were smaller Suppliers. The Code Manager therefore proposed the use of an Action Plan PAT to require the missing data to be provided, with escalation to a Management Assertion PAT if non-submission continued. It was further noted that, although this decision would ordinarily be delegated to the Code Manager, PAB's confirmation was sought because the proposed use of the Action Plan PAT in this context differed slightly from usual practice.

Separately, the Code Manager noted that early Theft Detection Incentive Scheme results indicated a lower number of confirmed theft cases than in previous years, although this may increase as queries are resolved and reporting progresses. In addition, the continued transition to a smart meter population may be contributing to lower theft volumes.

The Code Manager also gave an update on the MEM/EES reconciliation (monthly data submission from metering operators) whereby one Party remains a significant outlier, having still not provided the required data despite previous engagement. He noted that, if the data were not submitted in the current cycle, the Party may be asked to attend the next PAB meeting to explain its non-compliance. The Code Manager OAM Lead noted the Party is regularly engaged on this and other issues but had recently undergone a change of Contract Manager. She suggested that this may temporarily affect progress while the new contact becomes fully familiar with the matter, although this should not excuse continued non-compliance.

The PAB:

- **APPROVED** Sprint 6 to run from June – November 2026.
- **APPROVED** Sprint 6 to include reports: Energised No Meter, Invalid Topline, Missing Meter Location, Missing ESME ID, Disconnected Active MPANs.
- **APPROVED** Sprint 6 Targets for each report as set out in this paper.
- **APPROVED** The proposed change to the design of Risk Driver 11.1.
- **APPROVED** Following consultation in April we will not be reaching out to Parties individually for their performance in MEM-EES Reconciliation & Gas CDSP Reconciliation as these are not practical to resolve with a sprint; we will instead be working with MEMs and MOAs outside the sprint structure to help resolve these areas.
- **APPROVED** Proposes to issue an Action Plan PAT to Parties who have not provided a 1450 file by the time the PAT is issued, requiring them to provide the required data.

10 ANNUAL REPORT

The Code Manager introduced the draft Performance Assurance Annual Report, noting that the paper had previously been presented to the PAB in skeleton form and had since been developed into a full draft following PAB Member input.

PAB Members commended the report drafting but suggested some drafting improvements, the addition of a glossary, and enhancements to external-facing communications to make the report more accessible to audiences beyond those already familiar with REC terminology and governance structures.

A PAB Member suggested the report could include stronger contextual narrative at the outset to better frame the year under review, including prevailing sector conditions and the broader market environment within which performance assurance activity had taken place.

PAB Members supported the draft and agreed the Code Manager team should refine the draft accordingly without the need for further review and approval by PAB. Subject to incorporation of the feedback already received, including improvement of graphics and presentational detail, the PAB endorsed the report and agreed that it should proceed on that basis. Further, PAB agreed the report will subsequently be shared with the RECCo Board for information, rather than as a document seeking a specific response.

NEW ACTION: The Code Manager to add contextual scene-setting narrative in the introduction to the Annual Report to describe prevailing industry conditions and relevant background for the reporting year.

The PAB:

- **APPROVED** the wording of the report, subject to updates made by the Code Manager, which will then be submitted to the REC Board and provided to REC Parties.

11 AOB

11.1 IMPROVING DATA ACCESS PROCESS — STATUS AND NEXT STEPS

The PAB Chair discussed the paper that was due for presentation at PAB at the meeting. It was explained that the late paper proposes a more proportionate, tiered approach to data access decisions, so only precedent-setting requests would come to PAB while routine cases could be delegated. He said the paper now also needs to reflect forthcoming Code Manager licence obligations, the strategic direction on data openness, and recent cyber security concerns. An updated paper will therefore be brought to the 30 June PAB meeting, including options for how PAB may wish to respond to the current Ofgem consultation.

PAB Members expressed support for the proposed approach to streamline data access decision-making, noting that it should help enable PAB to be more efficient and focused. One PAB Member noted their support was subject to seeing the detailed parameters for low- and medium-risk requests, together with the wider supporting papers.

The PAB Chair agreed that a triaged approach to data access requests should continue, even if the detailed criteria were refined, and suggested a similar approach might also be applied in other areas. He apologised for the late paper and observed that the delay had enabled relevant Ofgem thinking to be incorporated.

The PAB:

- **NOTED** the update.

11.2 CODE MANAGER LICENSING ASSESSMENT FOR ELECTRICITY COMMERCIAL CODE: — PAB UPDATE

The PAB Chair advised that RECCo is progressing towards licence assessment in relation to the Electricity Commercial Code, while a separate consortium is undertaking the equivalent process for the equivalent Gas Code. He reassured members that these responsibilities would operate within distinct parts of the organisation and would not detract from REC assurance activity. He further noted that Electricity Commercial Code would remain separate from REC PAB business, although RECCo could provide programme-level assurance reporting to PAB on transformation risks and competing delivery demands should members consider that useful.

The PAB:

- **NOTED** the update.

11.3 REC CHANGES TO REFLECT DCC2

The PAB Chair gave an update on the REC changes to reflect DCC2. It was noted that consequential amendments would be required to the SEC and REC to reflect the award of the DCC licence to DCC2 Limited, including careful drafting to address any overlap in licence effective dates and to ensure that relevant entities are clearly identified during both the transitional and enduring arrangements. Further, as DCC2 is a not-for-profit organisation, the existing CRS Performance Charge regime in Schedule 6 would need to be removed, although the underlying service levels and reporting arrangements would otherwise remain in place to support continuity. The PAB Chair further advised that the necessary changes were expected to be progressed through an urgent modification, with implementation no later than 2 November 2026, and indicated that, in practice, CRS Performance Charges would cease from the end of September 2026 in order to avoid disproportionate administration for a limited residual period.

The PAB:

- **NOTED** the update.

11.4 CSS / EES RECONCILIATION UPDATE (POT 3)

The Code Manager gave an update on the CSS/EES reconciliation work that had significantly narrowed the issue. Two known causes had been identified at an early stage, namely a CSS data issue that had since been corrected and delays in the deregistration of disconnected meter points. Subsequent detailed analysis had reduced the remaining unexplained discrepancies to a relatively small number of meter points requiring further investigation. A separate discrepancy appeared to arise from a possible error in the aggregate CSS portfolio report, which may be overstating the number of registered sites by approximately 40,000. DCC was now investigating the remaining discrepancy groups and would be expected to report back on the underlying root causes and any corrective action required.

A PAB Member noted the useful update and that they've not seen any instances of the 40,000 suggesting it may be a reporting mismatch.

The PAB:

- **NOTED** the update.

NEXT MEETING DATE

The next meeting of the PAB will be held in-person on 30 June 2026.