Performance Assurance solution

REC PAB Update: 30 June 2026



CME Project Progress Update

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Project Summary



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Project Summary



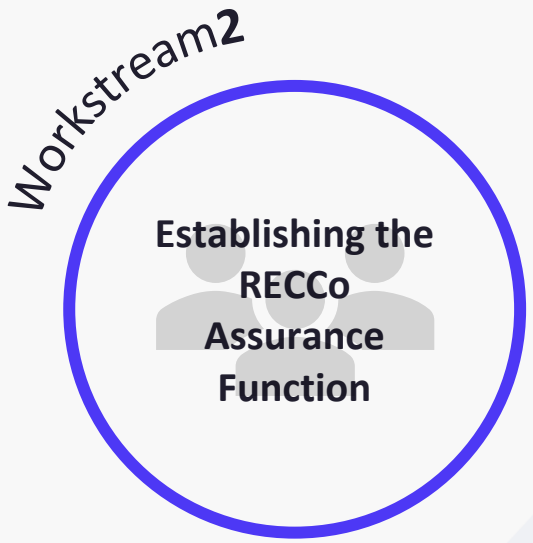
Key Achievements

- ✓ RECCo SteerCo approval of consolidated Performance Assurance Strategy
- ✓ RECCo SteerCo approval of the Performance Assurance Operating Plan (PAOP)
- ✓ RECCo SteerCo approval of the Performance Assurance Methodology (PAM)
- ✓ RECCo SteerCo approval of the Retail Risk Register (RRR)

Key Activities for Next Period

- ❑ PAB approval to progress to Category 3 Consultation for PAOP, RRR & PAM
- ❑ Industry engagement, including a collaborative webinar, on the strategic products
- ❑ Consultation scheduled to open in early July

Project Summary



Key Achievements

- ✓ Business process validation workshops ongoing
- ✓ Developed service provider assurance framework
- ✓ Designed RECCo's Service Provider Assurance Framework, establishing a risk-based approach to service provider oversight covering performance monitoring, quality assurance, governance and escalation.
- ✓ Expanded the Assurance function's proposed remit to support RECCo's transition to Licensed Code Manager, incorporating assurance over internal controls, governance arrangements and compliance with licence obligations.

Key Activities for Next Period

- ❑ Secretariat & Operational Assurance Lead recruitment
- ❑ Confirm internal RACI and roles and responsibilities between operational and strategy teams
- ❑ 2nd July- in-person collaboration session to cover strategy, principles, ways of working & change process
- ❑ Clarify process for handing over in-flight PAB activity
- ❑ Draft LWIs

Project Summary



Key Achievements

✓All service providers continue to work towards agreed baselined plans, with overall delivery remaining on track against key milestones. Significant progress has been made in operational readiness activities.

✓Progress continues to be closely monitored through Mobilisation Working Groups and associated governance forums, enabling risks, issues and dependencies to be identified and managed proactively.

✓Collaborative working arrangements remain positive across service providers and programme teams, with ongoing knowledge transfer, walkthroughs and handover activities supporting readiness for transition.

✓Good progress is being made across DSP-related workstreams, including development of the QSP Operating Plan, DSP Qualification and MoQ design activities. Dashboard migration activity has largely completed, with focus now shifting to data validation, pipeline readiness and deployment preparation.

✓Development of the communications and engagement plan is progressing, with a collaboration day scheduled for 2 July to support stakeholder engagement and transition readiness activities.

✓Updates to the Data Privacy Impact Assessment (DPIA) remain underway to ensure alignment with transition requirements and future operational arrangements.

✓Continued focus remains on coordinated delivery, operational readiness, resource planning and risk management across all workstreams to support a successful transition.

Key Activities for Next Period

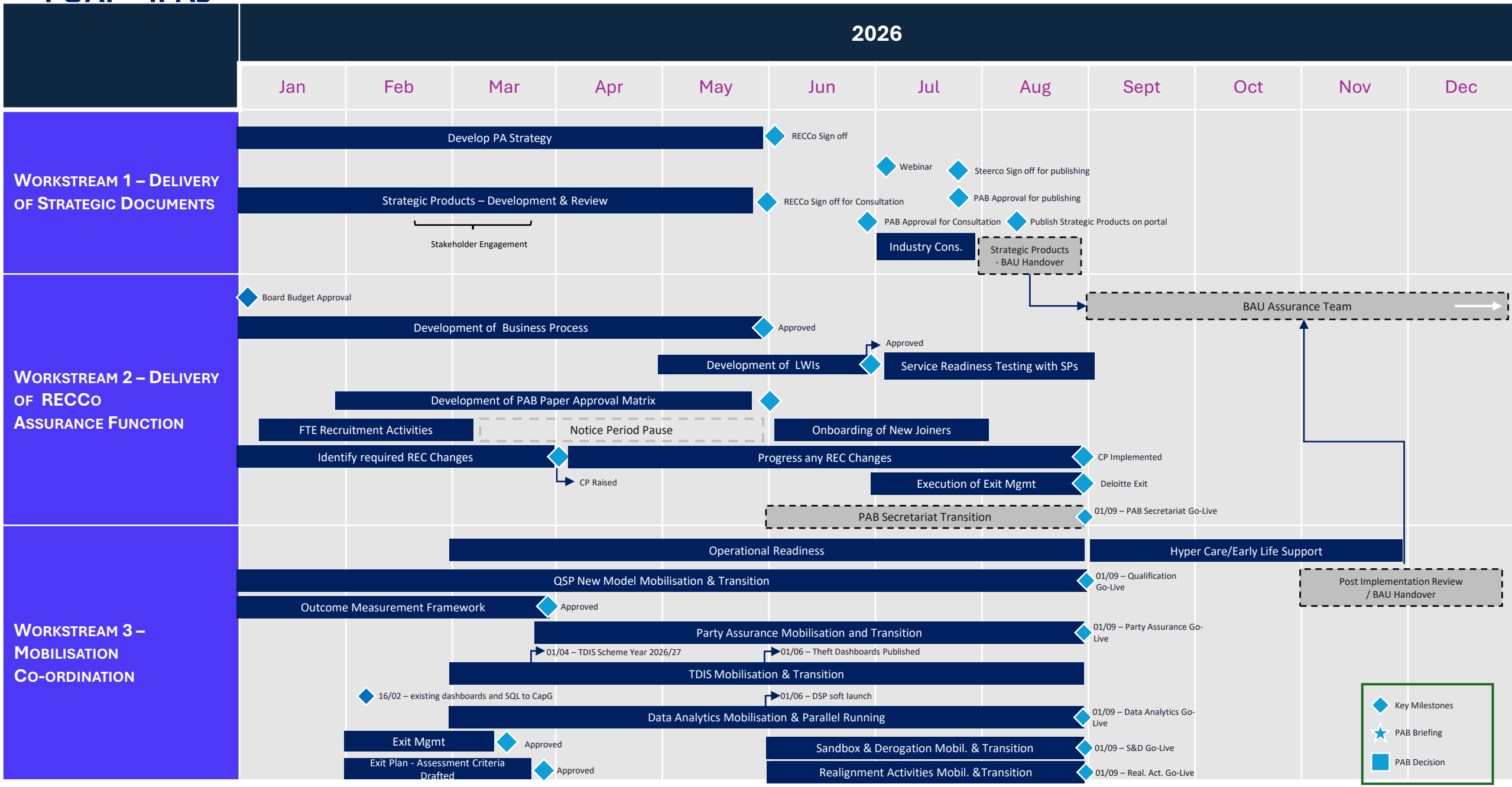
•**Continue operational readiness and process assurance activities**, including business process walkthroughs, LWI development, SLA definition and closure of any gaps identified through process mapping exercises.

•**Progress resolution of outstanding DSP and transition dependencies**, including Deloitte script and data-related clarifications, dashboard data validation activities, and confirmation of delivery scope for any emerging change requests.

•**Advance transition and stakeholder readiness activities**, including delivery of the 2 July collaboration day, progression of the communications and engagement plan, recruitment planning, and finalisation of key operational documentation to support mobilisation and go-live readiness.

POAP - IPAS

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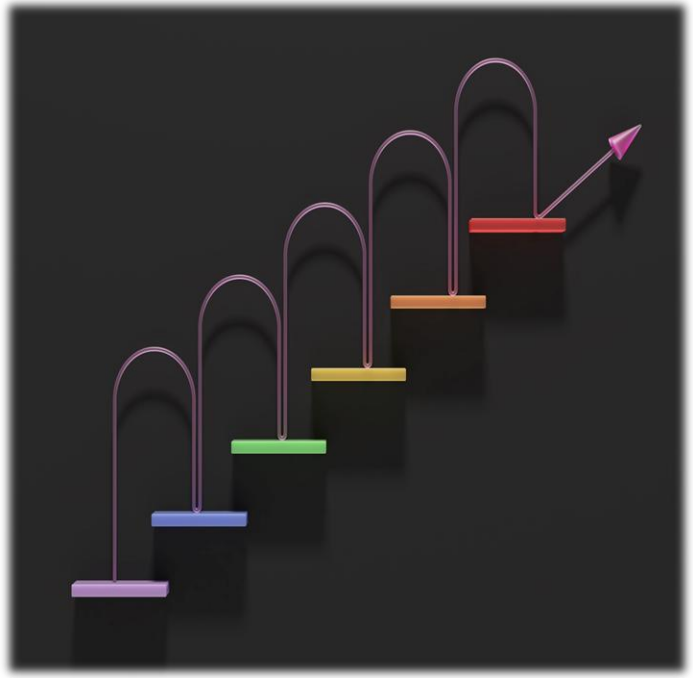


Category 3 Strategic Products

Background

As part of the review of the Code Manager Services, RECCo is now responsible for managing the Performance Assurance, Strategy and the Strategic Products. Rachel Clark was appointed to develop these products. The following slides outline what is contained within these Strategic Products.

- **Performance Assurance Operating Plan (PAOP)**
- **Performance Assurance Methodology and Techniques (PAM)**
- **Retail Risk Register (RRR)**



Route to approval

- These documents have been developed with input from RECCo SMEs, REC Service Providers and SRO.

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Performance Assurance Operating Plan

The Performance Assurance Operating Plan turns the broader Performance Assurance Methodology into a practical plan for the operating year. It:

- describes the routine or proactive assurance activities that will apply across participants, particularly where these are planned in advance
- indicates which baseline techniques, thematic reviews, or wider assurance activities are expected to be used during the year
- helps RECCo and the PAB take forward assurance activity based on known or anticipated risks
- gives REC Parties, REC Service Users and others advance notice of what assurance activity they should expect.

Updates for 2026-27

- Activities for PAOP were shared at March PAB and comments were incorporated into the final version
- Workshop approach to populate PAOP
  - Attended by service providers, RECCo SMEs
  - Activities and dependencies called out and validated
- Baseline activities carried forward from current operating year
- Increased focus and new areas include:
  - OMF development
  - Assurance activity for Tariff Interoperability & the Consumer Consent Solution
  - Meter Technical Detail accuracy, address data quality, cross-code collaboration, energy theft incentive review, consumer experience

Route to approval

- The final versions incorporate comments from RECCo SMEs, PAB and all relevant REC Service Providers

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Performance Assurance Methodology

The Performance Assurance Methodology exists to identify, assess and respond to risks that could harm consumer outcomes or market effectiveness under the REC. It:

- defines the relationship between REC risks, risk drivers, assurance techniques and escalation routes
- provides a structured process for identifying potential non-compliance, assessing materiality and determining appropriate assurance responses
- Provides a transparent and consistent mechanism for escalating significant concerns

Updates for 2026-27

PAM

- There are minimal changes to this document from the 2025/26 version as 2026/27 will be a transitional year'
    - Our Party Assurance service providers has confirmed that it will be using the current methodology for the 2026/27 delivery year
- Updates to the introduction to set out new outcome focus
- Outcome analysis & OMF development articulated in section 4

Route to approval

- The final versions incorporate comments from RECCo SMEs and all relevant REC Service Providers

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Retail Risk Register

During 2026/27 RECCo will transition from defining risks based on processes to defining risks based on outcomes.

Also, during the 2026/27 REC Performance Assurance will continue to be based on the risks, risk drivers and thresholds already established, while the Outcome Measurement Framework is matured and an evidence-based understanding of the operational conditions driving the outcome-based risks is developed.

The 2026/27 REC Risk Register supports the transition from process risks to outcome risks, linking existing process risks, risk drivers and thresholds to the newly defined outcome risks to provide transparency and traceability through the transition.

Updates for 2026-27

- Workshops to define the Outcomes that the RRR will be based on and will work in conjunction with the OMF
  - Attended by service providers, RECCo SMEs & key industry stakeholders
  - Outcomes defined and priority set
- Risk, risk drivers and thresholds carried forward from current risk register and new ones developed from the outcomes workshop
- New areas include:
  - Introduction of Outcomes
  - Level 1 and 2 risks mapped to outcomes and Level 0 Risks carried forward from 2025/26
  - Links to activities on the revised PAOP
  - OMF development to be linked into the RRR

Route to approval

- The final versions incorporate comments from RECCo SMEs and all relevant REC Service Providers, PAB members and other key stakeholders (CAB and Ofgem)

2026 Retail Risk Register v0.4_rebrand.xlsx

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Performance Assurance Strategy

Background

As part of the review of the Code Manager Services, RECCo is now responsible for managing the Performance Assurance Framework and Strategy. Rachel Clark was appointed to develop the strategy documents to provide a clear and coherent outcome-focused Performance Assurance Strategy with a 3-year delivery plan. The following slides outline what is contained within the Strategy.
The Overarching Framework was taken to RECCo Board in April and was approved, this framework has been consolidated into one document including the sub strategies as below.



RECCo Performance Assurance strategy

- Overarching Framework
- REC Party and REC Service User Performance Assurance
- Service Provider Assurance
- Operations and Governance Assurance

Route to approval

- These documents have been developed with input from RECCo SMEs, REC Service Providers and SteerCo. The Overarching REC Performance Assurance Framework was approved by the REC Board.

Link to Performance Assurance Strategy - 2026-29 Performance Assurance Strategy CLEAN.docx

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REC Performance Assurance Strategy

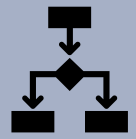
3-year plan | **Outcome-focused** | **Disaggregated delivery**

The Performance Assurance Strategy establishes the Aim, Strategic Approach and principles of Performance Assurance across the REC, taking account of the disaggregated approach.

Aim: to ensure that the REC and the operation of the REC protects and improves consumer outcomes in the areas covered by the REC. It does this by ensuring that:

- the REC ruleset is effective in achieving the desired consumer and market outcomes;
- REC Parties and REC Service Users comply with the ruleset; REC Services are provided efficiently and effectively;
- REC governance and operations are transparent and effective and focussed on achieving REC Objectives; and
- there is a focus on continuous improvement across all elements of the strategy.

PRINCIPLES



Outcome-focused



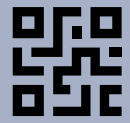
Risk-based



Evidence-based



Proportionate



Technology-enabled



Consistent and fair



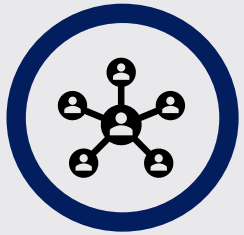
Transparent and accountable



Future-ready

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REC Performance Assurance Strategy



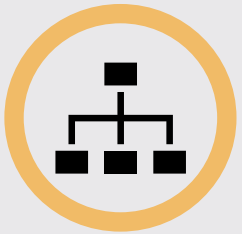
REC Party & REC Service User

- Outcome-focused, risk-based assurance of Party and Service User performance
- Identifies and mitigates risks to consumer and market outcomes
- Drives improved compliance and behaviours through targeted interventions
- Supports introduction of new services (e.g. Consumer Consent, Tariff Interoperability)
- Builds evidence base (OMF, data, metrics) to track impact and value



REC Service Providers

- Assures performance of REC Service Providers and central systems
- Integrates assurance with contract and service management activities
- Focuses on KPIs/SLAs, quality of outputs, and risk-based oversight
- Links service performance to consumer and market outcomes (via OMF)
- Drives continuous improvement and informs future service design



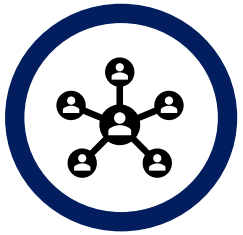
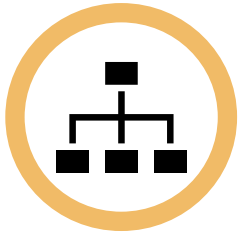
Governance & Operational

- Assures effectiveness of REC governance and RECCo operations
- Aligns with Code Manager Licence and Ofgem reporting requirements
- Establishes performance metrics, reporting, and oversight framework
- Uses ongoing monitoring and action plans to drive improvement
- Delivers transparent annual Performance Reporting to stakeholders

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REC Performance Assurance Strategy

Key Deliverables

	2026	2027	2028	2029
	• Finalise OMF • Define cost/benefit framework • Theft incentive review • DBT of assurance processes for TI & CCS	• OMF Dashboard • Data cleanse strategy • Operationalise assurance processes for TI & CCS	• OMF iteration • Reporting on Cost vs Benefit	
	• Identify links between services and outcomes • Provider risk categorisation • Governance & escalation framework	• Embed oversight model • Annual learning cycles inform service changes		
	• Define performance metrics	• Publish Transition Framework • Start monitoring against metrics • Survey & feedback approach established	• Publish first Performance Report	

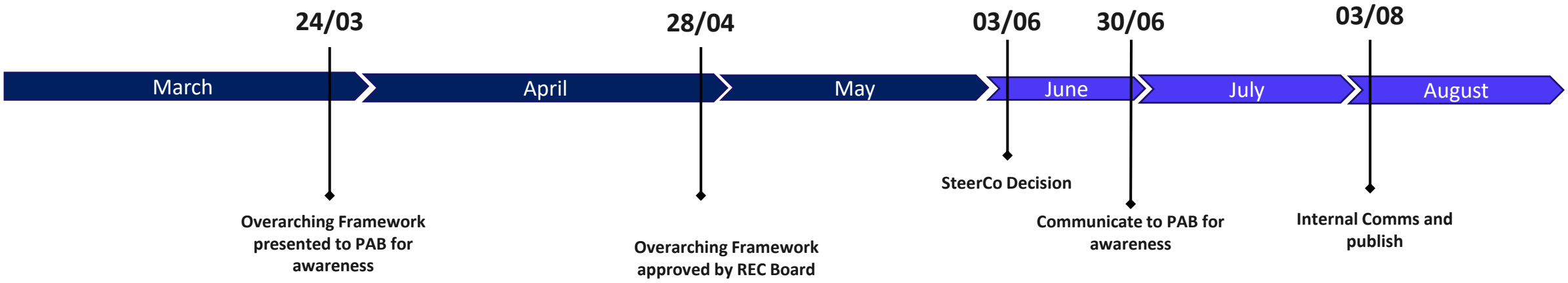
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Performance Assurance Strategy Timeline

Performance Assurance Strategy

- Overarching Performance Assurance Framework
- REC Party and REC Service User Performance Assurance
- Service Provider Assurance
- Operations and Governance Assurance

- March 2026: Overarching Performance Assurance Strategy Framework drafted and presented to PAB for Awareness
- April 2026: Overarching Performance Assurance Strategy Framework approved by Board
- June 2026: Performance Assurance Strategy drafted and communicated to SteerCo
- June 2026 Communicated to PAB for awareness during monthly updated
- August 2026: Communicate and publish internally - TBC

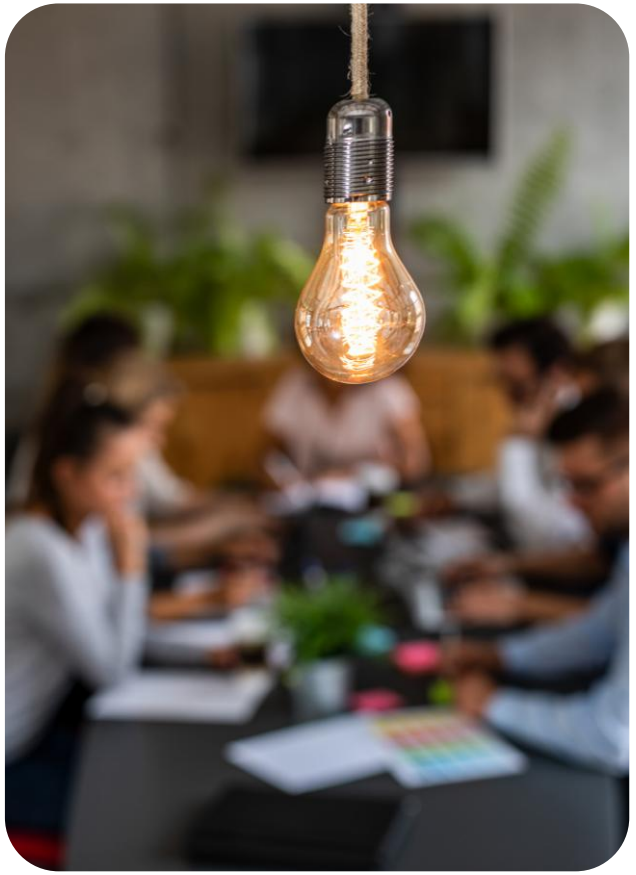


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Any questions

If you have any follow-up questions or would like to discuss anything from today's session in more detail, please feel free to reach out:

Carrie Shannon: carrie.shannon@retailenergycode.co.uk



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