RETAIL ENERGY CODE

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# PAB STRATEGIC PRODUCTS 2026-27

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| FOR DECISION | RECCo provides an update on the Performance Assurance Operating Plan (PAOP) 2026-27 and the Retail Risk Register consultations following the update in July 2026.<br><br>RECCo recommends PAB to:<br>• **APPROVE** the Performance Assurance Operating Plan 2026-27 for publication.<br>• **APPROVE** the Retail Risk Register 2026-27 v6.0 for publication along with the responses to the Category 3 consultation feedback. |
| APPENDICES | RECPAB_26_0825_03A – RECCo Performance Assurance Operating Plan 2026–27 v7.0<br>RECPAB_26_0825_03B – Retail Risk Register 2026-27 v6.0<br>RECPAB_26_0825_03C – Consolidated Consultation Responses |

## PEFORMANCE ASSURANCE OPERATING PLAN (PAOP) 2026-27

The proposed Performance Assurance Operating Plan for 2026-27 was issued for industry consultation through REC Category 3 Change C3-0164. The consultation did not receive any feedback on the PAOP.

## RETAIL RISK REGISTER 2026-27

The proposed Retail Risk Register (RRR) for 2026/27 was issued for industry consultation through REC Category 3 Change C3-0165. The consultation received responses from three Parties: E.ON Next, National Grid Electricity Distribution and Brook Green Supply Ltd.

Overall, respondents were supportive of the proposed direction of travel, particularly the transition from a process-based to an outcome-based Retail Risk Register. Stakeholders recognised that this provides greater transparency and a clearer link between Retail Risks, consumer and market outcomes, and the Performance Assurance activities designed to manage them.

The consultation identified a small number of areas where respondents felt that the RRR could be strengthened. The most substantive feedback came from E.ON Next, who suggested the Register should better reflect the risk of the REC failing to adapt to wider industry change, citing the interaction between Schedule 30 timescales and the Market-Wide Half Hourly Settlement (MHHS) timetable as an example. Having considered this feedback, we have amended the description of the relevant Level 0 Retail Risk to make clearer that it includes risks arising from wider cross-code transformation, such as MHHS. However, we do not consider it appropriate to introduce a new Retail Risk for the specific Schedule 30 issue, as this represents an existing issue that is more appropriately progressed through the REC Change process and wider cross-code engagement.

E.ON also suggested introducing a standalone Retail Risk relating to the management of general Secure Data Exchange Portal (SDEP) escalations. We recognise the importance of SDEP in supporting effective market outcomes but consider this to be better addressed through existing assurance activity rather than the creation of a separate Retail Risk. The 2026/27 PAOP already includes a number of activities that will consider SDEP performance and its impact across multiple REC processes.

National Grid Electricity Distribution supported the proposed Register and confirmed that it appropriately reflects the principal Retail Risks, with no additional changes suggested. Brook Green Supply Ltd also supported the overall approach and proposed a small number of additional areas for consideration, including meter installer data quality, Gas Enquiry Service (GES)/Electricity Enquiry Service (EES) changes and AMR-specific risks. Having reviewed these suggestions, we concluded that they are either already captured within the existing Retail Risks or are more appropriately treated as contributing factors rather than standalone Retail Risks. We will continue to monitor these areas as the Retail Risk Register evolves.

The consultation has therefore provided confidence that the proposed Retail Risk Register reflects the principal Retail Risks facing the REC, while also helping to refine the strategic framing of the Register. The detailed consultation responses, together with the Code Manager's response to each point raised, are included in Appendix C and will be published alongside the outcome of C3-0165.