RETAIL ENERGY CODE

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01	Initial Assessment Report
02	Preliminary Change Report
03	Final Change Report

PRELIMINARY CHANGE REPORT

R0011 – REPORTING OF ADDITIONAL EMR BACKING DATA TO SUPPLIERS

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RESPONSIBLE COMMITTEE	TECHNICAL EXPERT PANEL

LEAD ANALYST	Gemma Dixon	EMAIL
TECHNICAL LEAD	Rosalind Timperley	EMAIL

CHANGE OVERVIEW

The aim of this proposal is to reduce the extra assistance required by EMR parties in the invoice validation by updating the backing data within the Market Messages to align to what is being invoiced. The associated Market Messages should be structured and named in line with the actual output of Settlement systems to facilitate validation of CM and CFD financial settlement.

CODE MANAGER'S RECOMMENDATION

The Code Manager recommends Change Proposal R0011 is **APPROVED** for implementation on 04 November 2022

	High Impact: None
	Medium Impact: Energy Suppliers, Generators and Capacity Providers
	Low Impact: None

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BACKGROUND

1. SUMMARY

EMR Settlement Ltd receive service desk queries from Suppliers, Generators and Capacity Providers both in the Capacity Market (CM) Scheme and the Contracts for Difference (CfD) Scheme, regarding the data supporting their invoices and credit notes.

After a review performed by EMR Settlements Ltd (EMRS) on the detail contained in the current set of CfD Schemes and CM backing data, it was agreed that greater transparency of the invoicing and credit arrangements provided by EMRS on behalf of the Low Carbon Contracts Company (LCCC) and the Electricity Settlement Company (ESC) for the CM and CfD Schemes was required.

This change proposal will add additional Data Collections and Data Items and will amend existing Data Collections and Data Items in the MM00329 (D0362), MM00330 (D0363), MM00331 (D0364), MM00332 (D0365) and MM00333 (D0366) Market Messages to improve reporting to Suppliers, Generators and Capacity Providers.

The aim of this proposal is to improve the information provided to EMR parties to enable them to perform validation of their invoices and credits without the need to request additional supporting information. The associated Market Message will be structured and named in line with the actual output of Settlement systems to make it simpler to reconcile the data.

2. PROBLEM STATEMENT

There is no method for Suppliers and Generators to validate their invoices based on the data currently provided within the relevant Market Messages. Parties are able to request all relevant data from EMRS; however, this is time consuming for Parties, EMRS and LCCC/ESC.

3. USER STORIES

REF.	USER STORIES
MARKET PARTICIPANT USER STORIES	
M1	As a Market Participant, I need to be able to validate EMRS invoices and credits without having to request additional supporting data.
M2	As EMR Settlement Ltd, I need to have an efficient mechanism in place that enables me to provide Market Participants with all the relevant data that they need to validate their invoices and credit notes, to reduce/remove the need for Market Participants to contact the service desk for additional information.

4. SUMMARY OF ANALYSIS UNDERTAKEN

Analysis of the issue identified that there are amendments required for REC owned Market Messages and Data Items in addition to the introduction of twenty-one new Data Items.

5. KEY RISKS, ASSUMPTIONS, ISSUES AND DEPENDENCIES

RISKS AND ISSUES

No risks or issues have been identified that may impact the progression or implementation of the proposed solution for this Change Proposal.

ASSUMPTIONS AND DEPENDENCIES

No assumptions or dependencies have been identified that may impact the progression or implementation of the proposed solution for this Change Proposal.

6. PROPOSED SOLUTION

The proposed solution reflects the solution already assessed by the Master Registration Agreement under MRA SPF 107. The solution will create additional and amend existing Data Groups and Data Items in the D0362, D0363, D0364, D0365 and D0366 Market Messages, to enable improved reporting to Suppliers, Generators and Capacity Providers of certain CfD and CM charges. Details of the proposed changes can be found on the Change Proposal page in the REC Portal.

7. DRAFT LEGAL TEXT

The legal text changes to deliver the proposed solution to R0011 can be found on the Change Proposal Page in the REC Portal.

8. PROPOSED IMPLEMENTATION DATE AND APPROACH

PROPOSED IMPLEMENTATION DATE	04 November 2022

PROPOSED IMPLEMENTATION APPROACH	BIG BANG

Following engagement with EMRS, we propose this change is implemented in a standard REC release on the 04 November 2022.

9. CHANGE PATH

CHANGE PATH	SELF-GOVERNANCE

10. RESPONSIBLE COMMITTEE

RESPONSIBLE COMMITTEE	TECHNICAL EXPERT PANEL

11. BUSINESS CASE ASSESSMENT

The intention of this Change Proposal is to introduce efficiencies in the invoicing arrangements for the Capacity Market (CM) and Competition for Difference (CfD) schemes. If this Change Proposal is implemented, it will provide a more efficient method for Suppliers and Generators to validate their invoices and also ensure the alignment of data from the invoices with the data provided in the Market Messages. This will also result in fewer manual service desk queries received by EMR Settlements Ltd that requires operational resources to manage.

When this proposal was consulted on by the MRA under SPF 107 there were limited responses received. However, those responses from Suppliers supported the solution recognising that this would provide additional clarity when validating invoices relating to the schemes and there were no objections raised to the proposal.

On the basis that EMR Settlements Ltd, as the Proposer, and Suppliers who responded to the previous consultation have confirmed the expected operational efficiencies this change would deliver, we are comfortable that a positive business case can be made for implementing this change.

12. CASE FOR CHANGE

The Code Manager considers that there is a case for change to implement this Change Proposal, on the basis that:

- The proposed solution is fully formed and appropriately resolves the problem statement.
- A positive business case can be made, as set out in section 11 of this report.

13. CODE MANAGER'S RECOMMENDATION

Based on the evidence in sections 11 and 12 of this report, the Code Manager considers a positive business case can be made for implementing this solution and recommends that the Technical Expert Panel:

- **APPROVE** the proposed change solution;
- **APPROVE** the proposed implementation approach; and
- **APPROVE** the proposed implementation date of 04 November 2022

14. CONSULTATION PLAN AND NEXT STEPS

The consultation on this Preliminary Change Report for R0011 will be published on the REC Portal on 30 November 2021 and will close on 21 December 2021.

Following consultation, the Code Manager will produce an updated version of this Preliminary Change Report (referred to as the Final Change Report). This will include the outcome of the consultation, setting out a summary of the consultation submissions and the Code Manager's response.

The Final Change Report will be issued to the Technical Expert Panel to make its determination.

15. APPENDIX

CHANGE PROPOSAL	Change Proposal Page
LEGAL DRAFTING	Link to EMAR - Change Sets