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MP161

'Significant Code Review – Retail Code Consolidation'

Modification Report

Version 1.0

19 May 2021

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Committed to clearer communication
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About this document

This document is an Authority-Led Modification Report for an Authority-Led Variation submitted by the Authority in accordance with SEC Section D9A.4. It sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions.

Contents

This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

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1. Summary

This is an Authority-Led Variation raised as part of the Significant Code Review (SCR) for Retail Code Consolidation. It amends the SEC to:

- reflect updated cross-refences to the Retail Energy Code (REC); and
- introduce the Cross Code Steering Group and its associated mechanism for progressing cross code changes.

This proposal has been raised by the Authority in accordance with SEC Section D 'Modification Process' (9A).

This Modification Proposal will not directly impact SEC Parties, nor will it impact the Data Communications Company (DCC) or its Systems. The costs of this proposal are limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort to update the SEC. If approved, this modification will be implemented on 1 September 2021 in an ad hoc SEC Release. This is in line with the wider SCR timetable.

2. Issue

What are the current arrangements?

Retail Code Consolidation SCR

Ofgem launched the Retail Code Consolidation SCR in November 2019[1] to make faster, more reliable switching a reality for consumers and to harmonise, as far as is sensible, the provisions for switching in gas and electricity. To facilitate this aim, the SCR will rationalise retail energy Codes by closing down the electricity Master Registration Agreement (MRA), gas Supply Point Administration Agreement (SPAA), the Smart Meter Installation Code of Practice (SMICoP), and the Green Deal Arrangements Agreement (GDAA). The requirements from these Codes will be consolidated into the REC or transferred to another industry Code where this is more relevant.

Governance arrangements

The Authority published its open letter on its SCR modifications for Retail Code Consolidation on 30 April 2021[2]. In addition to bringing together several industry governance arrangements the REC will also bring together gas and electricity metering arrangements. This will allow it to be more flexible and responsive in decision-making, more open to innovation and challenge from any Party, and governed

[1] Retail Code Consolidation SCR launch statement

[2] Open letter regarding the Significant Code Review modifications for Retail Code Consolidation

by a more diverse set of interests than is the case in the currently existing Code governance arrangements.

Cross-Code working

The SCR will consolidate the Meter Operation Code of Practice Agreement (MOCoPA) and parts of the Balancing and Settlement Code (BSC), together with the metering provisions that sit under the SPAA, the Metering Code of Practice[3] (MCoP) and Approved Meter Installer Code of Practice (AMICoP).

The Retail Code Consolidation SCR scope also covers improvements to cross-Code change management. This is due to be achieved through the introduction of a Cross Code Steering Group under the REC, and modifications to the other relevant Codes to embed a new process for managing cross-code changes.

What is the issue?

Whilst the majority of the changes do not affect the SEC, cross references within the SEC to Energy Codes that are being consolidated into the REC need to be updated. Equally, the new provisions for how to better coordinate the progression of cross-Code changes need to be introduced.

What is the impact this is having?

If this issue is not resolved, the SEC will not reflect the industry wide changes that are occurring. This would create a misalignment between the SEC and other Energy Codes.

Impact on consumers

Whilst the wider SCR has changes aimed at improving the consumer experience and increasing efficiency and cost savings, the changes to the SEC detailed in this modification do not impact consumers.

3. Solution

This modification will amend a number of refences to other Energy Codes alongside the SCR to ensure consistency between all the impacted Codes.

Additionally, it will introduce a new framework for progressing cross-Code modifications. The amendments will require the SEC Panel to nominate representatives to a new Cross Code Steering Group who will help coordinate and progress cross-Code issues. It also sets out the concept of Lead Codes and Consequential Changes and allows the Panel to appeal decisions on such changes to the

[3] Formerly Meter Asset Manager Code of Practice (MAMCoP).

Authority where appropriate. The intent is to ensure better coordination of cross-Code issues and the progression of related changes as a suite rather than piecemeal and staggered change.

4. Impacts

SEC Parties

The changes to the SEC resulting from the SCR will not directly impact SEC Parties, nor will it impact the DCC. It will amend existing cross references and introduce a framework for progressing cross-Code issues that will be of interest to the Panel and its Sub-Committees.

DCC System

This modification will not impact the DCC System or its Service Providers.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section A 'Definitions and Interpretation'
- Section B 'Accession'
- Section D 'Modification Process'
- Section E 'Registration Data'
- Section K 'Charging Methodology'
- Schedule 5 'Accession Information'
- Appendix X 'Registration Data Interface Specification'
- Appendix Y 'Registration Data Interface Code of Connection'

The changes to the SEC required to deliver the Proposed Solution can be found in Annex A.

Consumers

This modification will not impact consumers.

Other industry Codes

The following Energy Codes are being amended as part of the wider SCR:

- Balancing and Settlement Code (BSC)
- Distribution Connection and Use of System Agreement (DCUSA)
- Independent Gas Transporter Uniform Network Code (IGT UNC)

- Master Registration Agreement (MRA)
- Smart Energy Code (SEC)
- Supply Point Administration Agreement (SPAA)
- Uniform Network Code (UNC)

More information on the changes being made to the Codes above can be found here.

Greenhouse gas emissions

This modification will not impact greenhouse gas emissions.

5. Costs

DCC costs

This modification will not incur any DCC costs.

SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

This modification will not incur any SEC Party costs.

6. Implementation approach

Approved implementation approach

The Panel agreed an implementation date of:

- **1 September 2021** if a decision to approve is received on or before 18 August 2021.

This is in line with the wider SCR timetable as the Retail Code Consolidation is planned to come into full effect on 1 September 2021.

7. Assessment of the proposal

Views against the General SEC Objectives

Proposer's views

***Objective (g)*[4]**

The Proposer believes this modification will better facilitate SEC Objective (g) as it will update the SEC to reflect the REC and new provisions for progressing cross code modifications.

Views against the consumer areas

Improved safety and reliability

If implemented, this modification will have a neutral impact against this consumer area.

Lower bills than would otherwise be the case

If implemented, this modification will have a neutral impact against this consumer area.

Reduced environmental damage

If implemented, this modification will have a neutral impact against this consumer area.

Improved quality of service

If implemented, this modification will have a neutral impact against this consumer area. However, the wider SCR will benefit this consumer area by making faster, more reliable switching a reality for consumers and to harmonise, as far as is sensible, the provisions for switching in gas and electricity.

Benefits for society as a whole

If implemented, this modification will have a neutral impact against this consumer area.

Appendix 1: Progression timetable

This is an Authority-Led Variation and will therefore follow the expedited process set out in SEC Section D9A. SECAS and the Authority have been coordinating and have agreed the following planned timetable.

[4] To facilitate the efficient and transparent administration and implementation of this Code.

The Authority-Led Modification Report will be presented to the Panel on 14 May 2021. Following this, the Change Board will vote on whether to approve the Authority-Led Variation. The Authority will consider the Change Board vote and determine whether to approve the Authority-Led Variation.

Timetable	
Event/Action	**Date**
Authority-Led Variation raised	5 May 2021
Authority-Led Modification Report presented to the Panel	14 May 2021
Change Board Vote	26 May 2021
Authority decision (anticipated date)	1 Jul 2021

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	**Full term**
AMICoP	Approved Meter Installer Code of Practice
BSC	Balancing and Settlement Code
DCC	Data Communications Company
DCUSA	Distribution Connection and Use of System Agreement
GDAA	Green Deal Arrangements Agreement
IGT UNC	Independent Gas Transporter Uniform Network Code
MAMCoP	Meter Asset Manager Code of Practice
MCoP	Metering Code of Practice
MOCoPA	Meter Operation Code of Practice Agreement
MRA	Master Registration Agreement
REC	Retail Energy Code
SCR	Significant Code Review
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMICoP	Smart Meter Installation Code of Practice
SPAA	Supply Point Administration Agreement
UNC	Uniform Network Code