

Smart Energy Code Administrator
& Secretariat (SECAS)

(by email)

Direct Dial: 020 7901 3907

Email: switchingprogramme@ofgem.gov.uk

Date: 6 May 2021

Dear Colleague,

**Retail Code Consolidation Significant Code Review: Authority-Led Variation
Direction pursuant to Section D9A (Authority-Led Variations) of the Smart Energy
Code**

We refer to our open letter¹ published on 30 April 2021 which sets out the proposed process for the suite of industry code modification proposals now being raised by the Gas and Electricity Markets Authority (the Authority)² pursuant to its Retail Code Consolidation Significant Code Review (SCR)³.

DIRECTION PURSUANT TO SEC SECTION D9A

Pursuant to and in accordance with (1) Licence Conditions 23.7 and 23.12 of the Smart Meter Communication Licence⁴; (2) Sections D1.3(d), D2.4 and D9A of the Smart Energy Code (SEC), and (3) the Retail Code Consolidation SCR, the Authority hereby submits to the SEC Code Administrator the enclosed Authority-Led Variation⁵ by way of direction under SEC Section D9A.2.⁶

In terms of SEC Section D9A.3 (Authority-Led Consultation), we consider that there has already been sufficient consultation outside of the processes set out in the SEC in relation

¹ <https://www.ofgem.gov.uk/publications-and-updates/open-letter-regarding-significant-code-review-modifications-retail-code-consolidation>

² The terms "the Authority", "we" and "us" are used interchangeably in this document.

³ https://www.ofgem.gov.uk/system/files/docs/2019/11/rcc_launch_statement.pdf

⁴ Granted pursuant to sections 7AB(2) and (4) of the Gas Act 1986 and sections 6(1A) and (1C) of the Electricity Act 1989

⁵ As defined by the SEC

⁶ We note the terms of SEC Section D9A.2 and confirm that this direction is pursuant to the ongoing Retail Code Consolidation SCR - the scope and subject matter of this SCR is set out in its Launch Statement at: https://www.ofgem.gov.uk/system/files/docs/2019/11/rcc_launch_statement.pdf

to this Authority-Led Variation such that it is unnecessary to submit the proposal to further Authority-Led Consultation. In line with the Authority's SCR guidance⁷, we have worked with code administrators and stakeholders on all of the Authority-led code modification proposals related to this SCR and have subjected the majority of the final proposed code drafting to public consultation. We have now carefully considered the responses to our December 2020 consultation and sought further feedback from industry on certain points. We have also been working with colleagues in SECAS to coordinate the SEC procedures for consideration of this Authority-Led Variation.

We note that SEC Section D3.16 states that the SEC Panel shall, in the case of Authority-initiated Modifications, determine a timetable consistent with any relevant timetable issued by the Authority, and specify the date by which the Modification Report is to be finalised. We also note that SEC Section D3.18 states that the SEC Panel and other bodies shall complete any and all of the respective tasks gained to them in respect of a Modification Proposal in accordance with the applicable timetable.

Accordingly, and having consulted with SECAS, the Authority hereby sets the following timetable for completion by the relevant party of the procedural steps for this Authority-Led Variation:

SEC provision	Procedural step	Deadline for completion
D3.16	Authority-Led Modification Report to be completed	7 May 2021
D3.16 and D9A.6	"D9A.6 Upon completion of the Authority-Led Modification Report, the Code Administrator will place such report on the agenda for the next meeting of the Panel, which shall refer the report to the Change Board."	14 May 2021
D3.16 and D9A.7	"D9A.7 In respect of each Authority-Led Modification Report referred to the Change Board, the Change Board shall vote whether to	26 May 2021

⁷ https://www.ofgem.gov.uk/system/files/docs/2016/06/scr_guidance.pdf

	approve the Authority-Led Variation.”	
D3.16 and D9A.10	“D9A.10 The Code Administrator shall communicate the outcome of the Change Board vote to the Authority and the Panel, and shall send copies of the following to the Authority: (...) (j) the Authority-Led Modification Report; and (k) the outcome of the Change Board vote, including the reasons given by the Change Board Members pursuant to Section D8.17 (The Change Board Vote).”	28 May 2021

In terms of SEC Section D9A.4 (Authority-Led Modification Report), we note that the Authority-Led Modification Report to be prepared by the Code Administrator is to specify the proposed implementation timetable, including the proposed implementation date. We will advise on implementation actions in due course, if this Authority-Led Variation is approved. As you are aware, if the Authority decides to approve this Authority-Led Variation then implementation will need to take place in time for Retail Code Consolidation. Retail Code Consolidation is planned to come into full effect on 1 September 2021.

Please ensure that the Authority-Led Variation is published on the SEC website.

Decision stage

As set out in our open letter, and following discussions with colleagues in the code bodies, we will be submitting all Authority-led proposals in relation to the Retail Code Consolidation SCR to the panels of all relevant industry codes within a specified time window to ensure that the submissions align so far as is possible with the dates on which the relevant panels convene, namely between 30 April 2021 and 21 May 2021 unless this time window is subsequently amended by the Authority (in which case we will notify you). This means that there will not be a single date for Authority decisions on all of the Authority-led modification proposals under the Retail Code Consolidation SCR.

Our target date for decision in relation to this Authority-Led Variation is 2 July 2021, although we will endeavour to issue a decision as soon as possible following our receipt of the Change Board vote in relation to this Authority-Led Variation, as referred to above.

This is an Authority-led end-to-end SCR and so we expect that modification in respect of the Retail Code Consolidation SCR will end when the Authority makes its decisions following its receipt of the relevant panel reports. We will confirm when we have made our final decision and the Retail Code Consolidation SCR has ended.

Finally, we would like to once again extend our thanks to SECAS for their support in developing the legal text for the SCR modification proposals on the timelines that have been required by the programme.



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Rachel Clark,
Programme Director, Switching Programme
Duly authorised on behalf of the
Gas and Electricity Markets Authority

6 May 2021