

Modification proposal:	Smart Energy Code (SEC) Modification Proposal (MP) MP200: Faster Switching consequential changes to the SEC (MP200)		
Decision:	The Authority ¹ determines that this modification ² should be made ³		
Target audience:	Data and Communications Company (DCC), SEC Panel, Parties to the SEC and other interested parties		
Date of publication:	17 May 2022	Implementation date:	CSS Go-Live Date ⁴

Background

We launched the Switching Significant Code Review (SCR) in November 2015 in order to introduce the necessary changes required to the licence and code framework for the Switching Programme.⁵ The objective of the Switching Programme is to improve consumers' experiences of switching, leading to greater engagement in the retail energy market by designing and implementing a new switching process that is reliable, fast and cost-effective. This will build consumer confidence and facilitate competition, delivering better outcomes for consumers.

The SCR mechanism allows Ofgem to holistically manage complex changes to multiple industry codes and licence conditions. The Switching SCR will bring about significant changes to the Retail Energy Code (REC) as part of the Switching Programme, introducing REC version 3.0. This will support the introduction of faster and more reliable switching through a new Centralised Switching Service (CSS).

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² 'Change' and 'modification' are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and by section 38A of the Gas Act 1986.

⁴ CSS Go-Live Date, as defined by the Retail Energy Code, means the time and date designated as such by the Authority. The CSS Go-Live Date is currently expected to be, and will not be earlier than, 18 July 2022.

⁵ Link [here](#) to the Switching SCR launch statement on the Ofgem website.

These changes to the REC require consequential changes to be made to a number of affected codes, including the SEC, to reflect the new arrangements. Our update⁶ published on 31 January 2022 set out the proposed processes and timelines for this suite of industry code modification proposals required for REC v3, including this modification to the SEC.⁷

We initiated the REC code modification proposal process on 7 April 2022, which will allow for the efficient and timely implementation of REC version 3.0 by the CSS Go-Live Date. We raised modification proposal MP200 in respect of the SEC on 8 February 2022 in order to reflect those new arrangements brought about by REC v3 in the SEC, with a proposed implementation date of the CSS Go-Live Date. The CSS Go-Live Date will be confirmed by Ofgem at a later date, but is currently expected to be 18 July 2022.

The modification proposal

On 8 February 2022, SEC modification proposal MP200 (the proposal) was raised by Ofgem as an Authority-Led Variation Direction pursuant to Section D9A (Authority-Led Variations) of the Smart Energy Code. The proposal set out the timetable for the SEC Panel and the Change Board to progress it.⁸

The proposal aims to make the changes that are necessary to a number of sections of the SEC and to SEC Subsidiary Documents, as part of the Switching SCR, that would ensure that the SEC implement the End-to-End Business Process Design developed by the Switching Programme and specifically to align the SEC with REC version 3.0 from the Go-Live for CSS, which is also the REC 3.0 effective date. The implementation date for the proposal must be flexible and tied to the Go-Live date. Ofgem will determine and designate the exact date of CSS Go-Live in due course.

⁶ Link [here](#) to the update

⁷ The terms “the Authority”, “we” and “us” are used interchangeably in this document.

⁸ Further details about [MP200 and the letter to the Smart Energy Code Administrator & Secretariat \(SECAS\)](#) can be found on the Smart Energy Code website, [here](#).

In particular, the proposal seeks to make the following changes:

- The current obligations for Network Parties to ensure Registration Data Providers (RDPs) send registration data to the Data Services Provider (DSP) will be removed. These will be replaced with obligations on the Data and Communications Company (DCC) in its role as the Centralised Registration Service (CRS) to ensure the CSS sends the required registration data to the DSP. Suppliers and Other SEC Parties remain unaffected by any SEC consequential changes.
- In addition to clarifying obligations on the CRS, changes will also be required to the SEC Appendices that detail the new interface between the DSP and CSS systems.

SEC Change Board⁹ recommendation

At the SEC Change Board meeting on 20 April 2022, a majority of the Change Board considered that MP200 would better facilitate SEC Objectives (a), (d) and (g), and the Change Board therefore recommended its approval.

Our decision

We have considered the issues raised by the proposal and the Conclusions Report dated 17 March 2022. We have considered and taken into account the votes of the SEC Change Board on the proposal as well as the wider aims of the Switching SCR. We have decided that:

- implementation of the modification proposal will better facilitate the achievement of the SEC Objectives;¹⁰ and
- directing that the change is approved is consistent with the Authority's principal objective and statutory duties.¹¹

⁹ The SEC Panel and Change Board are established and constituted pursuant to and in accordance with DCC Licence 22.26(a).

¹⁰ The Objectives in accordance with DCC Licence 22.10-22.17

¹¹ The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 as amended and the Gas Act 1986 as amended.

Reasons for our decision

We consider this modification proposal better facilitates the first, fourth and seventh General SEC Objectives, with a neutral impact on the other General Objectives.

The first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

This modification will better facilitate this SEC Objective as it will ensure that the SEC will align with version 3.0 of the REC from the CSS Go-Live Date. Failure to ensure this code alignment would introduce risk to the successful delivery of Ofgem's Switching Programme. It would also adversely impact SEC Parties who would be unable to use the SEC processes needed to support the new CSS arrangements, in turn adversely impacting consumers. Acceptance of this modification will result in code alignment with the REC, and is therefore necessary to allow for the efficient provision and operation of smart metering systems at energy consumers' premises.

The fourth General SEC Objective is to facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy under the Principal Energy Legislation.

This modification will better facilitate this General SEC Objective 4 by supporting the delivery of faster, more reliable switching, which in turn will promote competition in the supply of electricity.

The seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of the SEC.

This modification will better facilitate this SEC Objective as the consequential changes will ensure the efficient and transparent administration and implementation of the SEC is delivered by ensuring that the SEC aligns with version 3.0 of the REC from the CSS Go-Live Date. Failure to ensure this code alignment would introduce risk to the successful delivery of Ofgem's Switching Programme. It would also adversely impact SEC Parties who would be

unable to use the SEC processes needed to support the new CSS arrangements, in turn adversely impacting consumers.

Decision notice

In accordance with licence condition 23 of the Smart Meter Communication licence and Section D9A.11 of the SEC, the Authority hereby approves Authority-initiated Modification SEC MP200: *'Faster Switching consequential changes to the SEC'* (SEC MP200) and directs that SEC MP200 be made. Pursuant to Section D10 of the SEC, the SEC Panel must now ensure that the SEC is varied in accordance with SEC MP200 such that it takes effect on the date that version 3.0 of the REC comes into effect, which is also the CSS Go-Live Date as defined in the REC. This date will be determined and designated by Ofgem at a later date, and is currently expected to be 18 July 2022.

We expect this to be the last decision in respect of the SEC under the Switching SCR. However, if circumstances change before the end of the Switching SCR, which necessitate further Authority-led modification proposals in respect of the SEC, we will consult further. In due course, we will confirm when we have made our decision on the final Authority-led modification proposal under the Switching SCR and, accordingly, when the Switching SCR as a whole has ended.



Nicola Garland

Head of Switching Programme

Signed on behalf of the Authority and authorised for that purpose