

Procurement of the Provision of Audit Services

Market Engagement Event

3rd August 2022

Retail Energy Code Company

Welcome & Housekeeping

01

Welcome from the panel

Housekeeping

- ❑ Please can we ask everyone to place themselves on mute and turn your camera off.
- ❑ There will be an opportunity to raise your questions after each agenda item. Within Teams, please use the chat function and/or use 'raise hand' feature to ask your question.
- ❑ There will also be an opportunity to ask questions at the end of session. We will share all written responses after the event along with the presentation.
- ❑ For more information, please visit our [website](http://www.retailenergycode.co.uk): www.retailenergycode.co.uk



Aiysha Andrade

Project Lead



Fraser Yuill

Procurement Manager



Robert Short

Metering Expert



Teresa Thompson

Stakeholder Engagement
Manager

Purpose of this Presentation

- 1 This presentation is intended to provide high level information for you to assess whether you are interested in entering the procurement process for the Audit Services
- 2 Full detailed requirements will be provided when the Invitation to Tender ('ITT') is issued
- 3 At the end of each section of the presentation there will be an opportunity to ask questions.
- 4 Following this presentation, companies will be asked to confirm whether they wish to attend a one-to-one session, to discuss the requirements further detail and to ask further questions
- 5 Following the one-to one sessions, RECCo will issue a formal invitation for an expression of interest in the procurement

Agenda

01

**Welcome &
Housekeeping**

Teresa Thompson

02

**RECCo's role in the Retail
Energy Market**

Aiyesha Andrade

03

**What is the current scheme
and audit process?**

Aiyesha Andrade

04

**Overview & history of the
Consolidation Project**

Robert Short

05

**High-level requirements
for the Audit Services**

Fraser Yuill

06

**RECCo's proposed procurement
process and the associated next
steps**

Fraser Yuill

07

Q&A

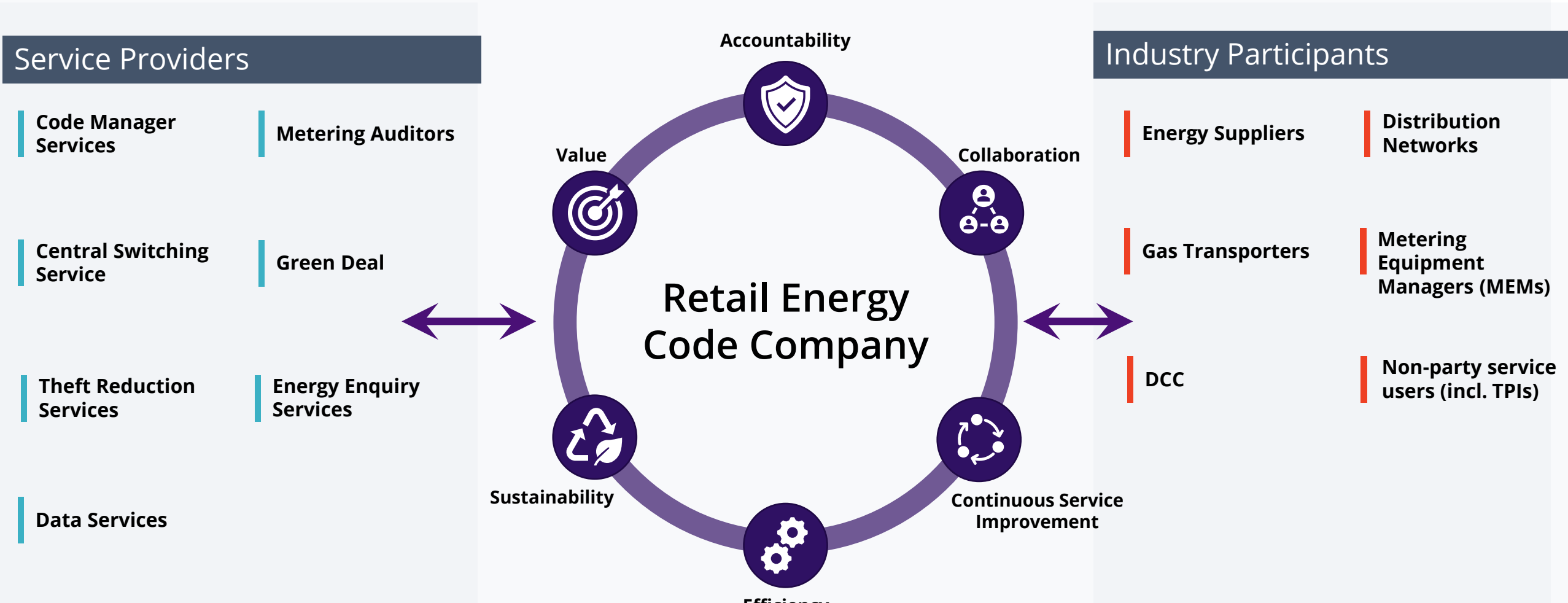
RECCo's role in the Retail Energy Market

Aiyasha Andrade

02

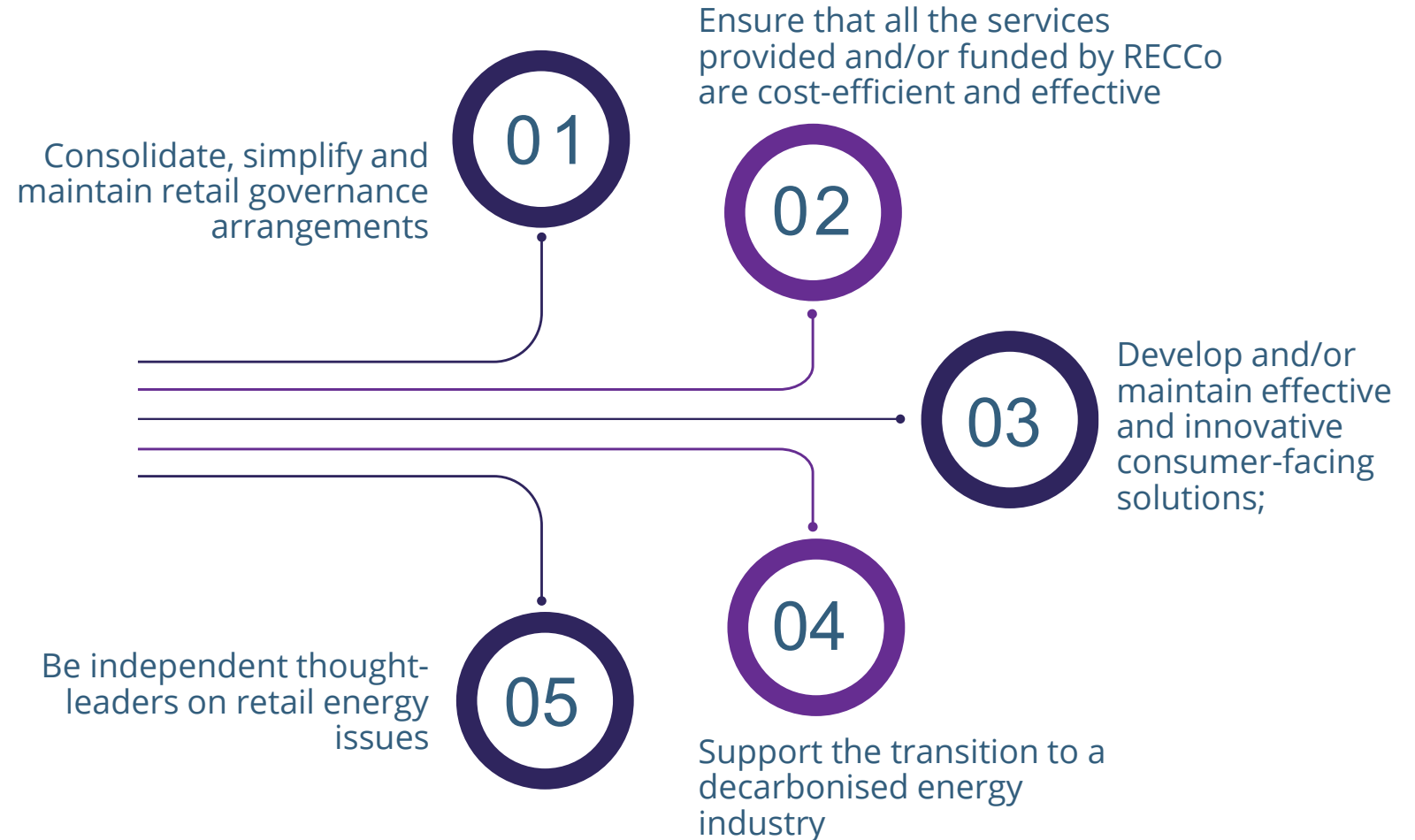
RECCo – An Overview

We facilitate the *efficient and effective* running of the retail energy market, including its systems and processes. We do this through promoting *innovation, competition* and delivering *positive consumer outcomes*



Our Strategic Aims

- Our over-arching aim is to deliver governance arrangements and services that enable REC Parties and other users to meet the needs of energy consumers now and into the future.
- To the extent that those needs are constantly evolving, we will facilitate the effective and timely development and transformation of services, to be delivered cost-efficiently and with minimal disruption to business-as-usual activities.



Q&A

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What is the current scheme and audit process?

Aiyasha Andrade

03

Overview of Metering Codes of Practice

ASPCoP

Automated Meter Reading Service
Provider Code of Practice



Voluntary CoP

Gas

Automated Meter
Reader Service
Providers

7 Organisations

MCoP

Gas
Metering Code of Practice



Compulsory
Accreditation

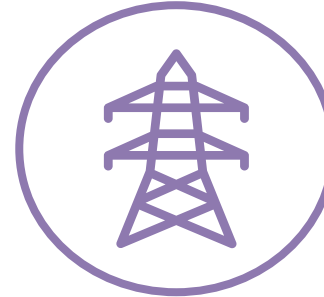
Gas

Meter Installers and
Meter Equipment
Managers

140 Organisations

MOCOP

Electricity
Metering Code of Practice



Compulsory
Accreditation

Electricity

Meter Equipment
Managers

43 Organisations

SMICoP

Smart Meter Installation Schedule



Compulsory
Accreditation

Gas and Electricity

Domestic and Micro
Business Suppliers

85 Organisations

Existing REC Metering Accreditation Schemes

REC Code Manager

ASPCoP

3 year audit cycle
Desktop and Field Audits delivered by Scheme Auditor

MCoP

3 year audit cycle
audit cycle for MIs
Annual audit for MEMs based on a 3 year cycle
Desktop and Field Audits delivered by Scheme Auditor

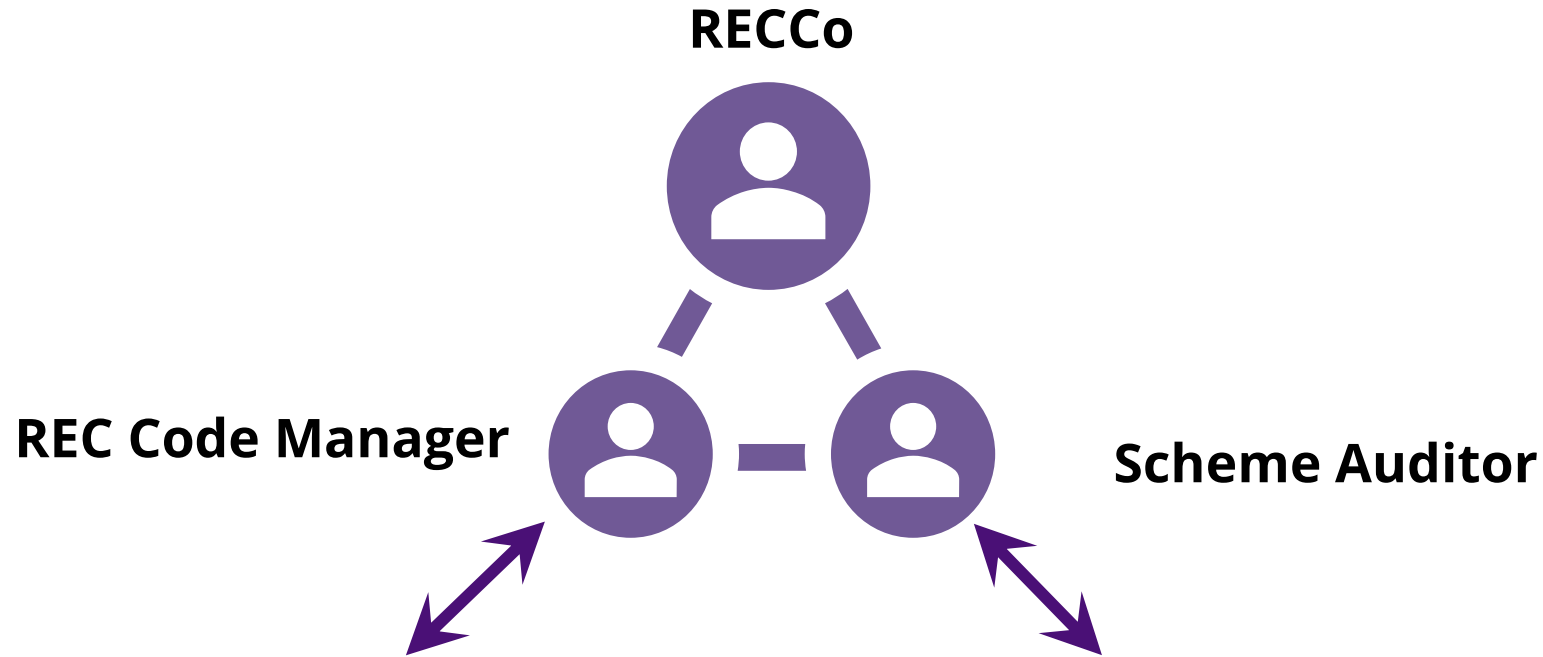
MOCoP

Annual audit Cycle
Desktop Audit delivered by REC Code Manager
Field Audit delivered by Scheme Auditor

SMICoP

One off audit
Yearly survey
Desktop audit delivered by Scheme Auditor

Scheme Auditor Interaction



REC Parties

- Market entry
- Review of BSA questions to assess capabilities of operations
- Query management
- HQ Audit
- Audit reports
- Recommendations for approval, suspension and withdrawal
- Certification

REC Parties

Desktop Audit:

- Scheduling of audits
- Review of H&S policies and procedures
- Scheduling of audits
- Analysis and scope setting
- Internal audit process
- Training documents

Field Audit:

- Review of H&S policies and procedures
- Review of Desktop and HQ audit to assess capabilities of operations
- Scheduling of audits
- Analysis and scope setting
- Internal audit process
- Training documents

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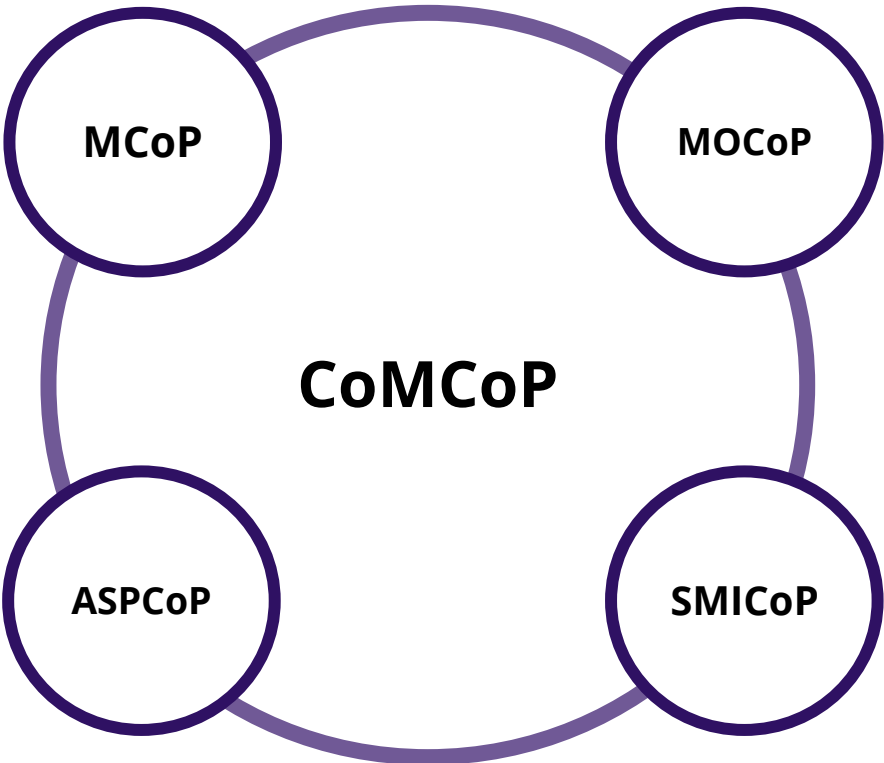


Overview & history of the Consolidation Project

Rob Short

04

What are the REC Metering Codes of Practice?



Approach to the Consolidated Metering Code of Practice (CoMCoP)

To maintain the integrity and governance of the clauses found in the existing codes of practices, the following principles have been used during the review period:

Guiding Principles	
No Fundamental impacts	Specific association to a REC party
No contract revision	In flight change proposals
No wholly new obligations	Digital Format
Simplification	Reference to original codes
Metering Journey categorisation	In-keeping with ToR
Duplication Removal and merging	Single set of arrangements
Maintain genuine differences	Single audit service provider
Peer review	Allows for evolution
Consumer Benefit	

CoMCoP Structure

Scope and Responsibilities

Pre-Installation
Registration
System Capability
Regulatory Conformity
Qualifications & Training
Equipment Specification
Industry Notification
Design Activity
Customer Notification

Installation
Access & Safety Checks
Equipment Specification
Competency & Conduct
Installation Activity
Customer Engagement
Industry Notification

Post-Installation
System Capability
Duty of Care
Customer Notification
Audit & Survey
Industry Notification
Equipment Transfer, Return & Disposal
Ongoing Maintenance

Appendix Items

CoMCoP Structure

Pre-Installation	1									Work Category			
	Gas			Smart		Electricity			C1	C2	C3	C4	
Clause	MEM	AMI	ASP	ES	MI	MEM	DNO	MI					
2 Registration													
2.1 Approval to Operate													
2.1.1 All signatories may gain REC approval by demonstrating that it is able to comply with the relevant requirements of the CoP on an ongoing basis. This will be done via an initial audit followed by an on-going audit regime (see REC Portal). The signatory will be assessed against the relevant requirements of this Code of Practice.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2.1.2 All signatories shall comply with the relevant Technical Standards in accordance with Appendix 1, Appendix 2 and Appendix 3, where relevant, for all aspects of work being undertaken, including, but not limited to, planning, design, installation, commissioning, maintenance, removal and disposal.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2.1.3 The following types of documentation are appropriate to demonstrate compliance that meters and ancillary equipment are suitable for the intended use:	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
(a) manufacturer's letters of conformance;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
(b) a purchase specification;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
(c) material certificates;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
(d) test certificates;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
(e) equipment suppliers' or manufacturers' warranties, and,	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
(f) hazardous area certification (i.e. demonstrating conformance to ATEX requirements and CE marked as appropriate for the hazardous area)	✓								✓	✓	✓	✓	
2.1.4 All MEMs must hold a Registration Certificate or Provisional Certificate, or such other means of demonstrating their accreditation under the REC as may be issued by the Code Manager. This Registration Certificate authorises the MEM to work in accordance with the CoMCoP.	✓		4			✓			✓	✓	✓	✓	
2.1.5 The MEM and AMI shall only carry out work in respect of the categories of meter installation for which it has been approved and shall not make any false claim in relation to the extent of its approval.	✓	✓							✓	✓	✓	✓	

Example of a section of the Consolidated Metering Code of Practice

- Parties can be categorised by fuel type and work they undertake
- The Gas Metering work categories remain
- Any tick present for the associated clause confirms that the party would need to provide evidence for audit purposes
- Where no tick is present, the clause can be skipped
- Each section will have an audit trail referencing the previous code, for example 2.1.1 will reference MCoP 0-8 0-3 (EMAR 20657)

Q&A

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High-level requirements for the Audit Services

Fraser Yuill

05

High-level requirements & considerations

- 1 While the provider of audit services will be expected to consider the current audit methodologies and frequencies, RECCo encourages the delivery of innovative solutions to improve the consolidated audit approach.
- 2 The provider of audit services will be expected to use their knowledge and expertise to specify the most appropriate approach to ensuring compliance with each section of the Consolidated Metering Code of Practice.
- 3 An approach that follows a risk-based methodology and creates a logical and efficient process for Parties which have multiple accreditations will be required, all whilst keeping the health and safety of the end consumer in mind.
- 4 The provider of audit services will have to collaborate with the REC Code Manager to deliver the end-to-end audit process and interact with other parties as detailed in some of the previous slides.

Summary of services to be provided

1

Delivery of dual fuel desktop and onsite audits against the new set of metering arrangements.

2

Conducting audits for new market entrant's accreditation.

3

Conducting regular audits for accreditation renewals.

4

Onsite audits will require the use of technical engineers or a 3rd party partnership with technical engineers.

5

Support the growth of the auditing requirements over time, to cover the delivery of incoming market developments, e.g. Hydrogen, heating.

Scale of service requirement

- 1 200 Parties who are obligated to adhere to the Code of Practice.
- 2 10 new entrants per year.
- 3 140 accreditation renewals yearly.
- 4 The contract will be for a duration of 3 years, with the option for RECCo to extend for up to a further 24 months.

Q&A

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RECCo's proposed procurement process and the associated next steps

Fraser Yuill

06

Structure of the Procurement Process

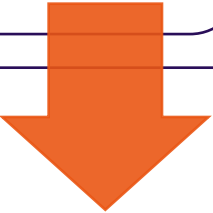
RECCo will be undertaking a competitive procurement



The procurement will comprise of the following stages:

- ▶ Market Engagement (including one to one discussions);
- ▶ Invitation for an Expression of Interest;
- ▶ Selection Stage; and
- ▶ Tender Stage.

The Selection Stage and Tender Stage will be evaluated by a panel of RECCo employees, against a pre agreed Evaluation Criteria (details of which will be included in the SQ / ITT packs).



High-level Procurement Timetable

Activity	Date
One to One Discussions	W/C 8 August 2022
RECCo Issue Invitation for an Expression of Interest	W/C 15 August 2022
RECCo Issue Selection Questionnaire	1 September 2022
RECCo Issue Invitation to Tender	29 September 2022
RECCo Award Contract	Late December 2022

Next Steps

- 1 All attending companies will be asked by email to confirm whether they wish to attend a one-to-one session during W/C 8 August 2022
- 2 One-to-one session will allow companies the opportunity to discuss RECCo's requirements in further detail and ask additional questions
- 3 During W/C 15 August 2022 companies will then be asked whether they are interested in being included in the selection process for the tender exercise
- 4 All communications should be via the RECCo procurement team via: **procurement@retailenergycode.co.uk**



Summary

RECCo believe that this is an opportunity for a provider to deliver audit services on a significant scale while:

- introducing innovation and more effective ways of working to the auditing of metering arrangements across the retail energy market;
- establishing and building key relationships with a large proportion of energy industry organisations; and
- playing an important part in industry governance arrangements which are committed to delivering positive outcomes.

Final Q&A

07

Final Q&A

Should you have any final questions:



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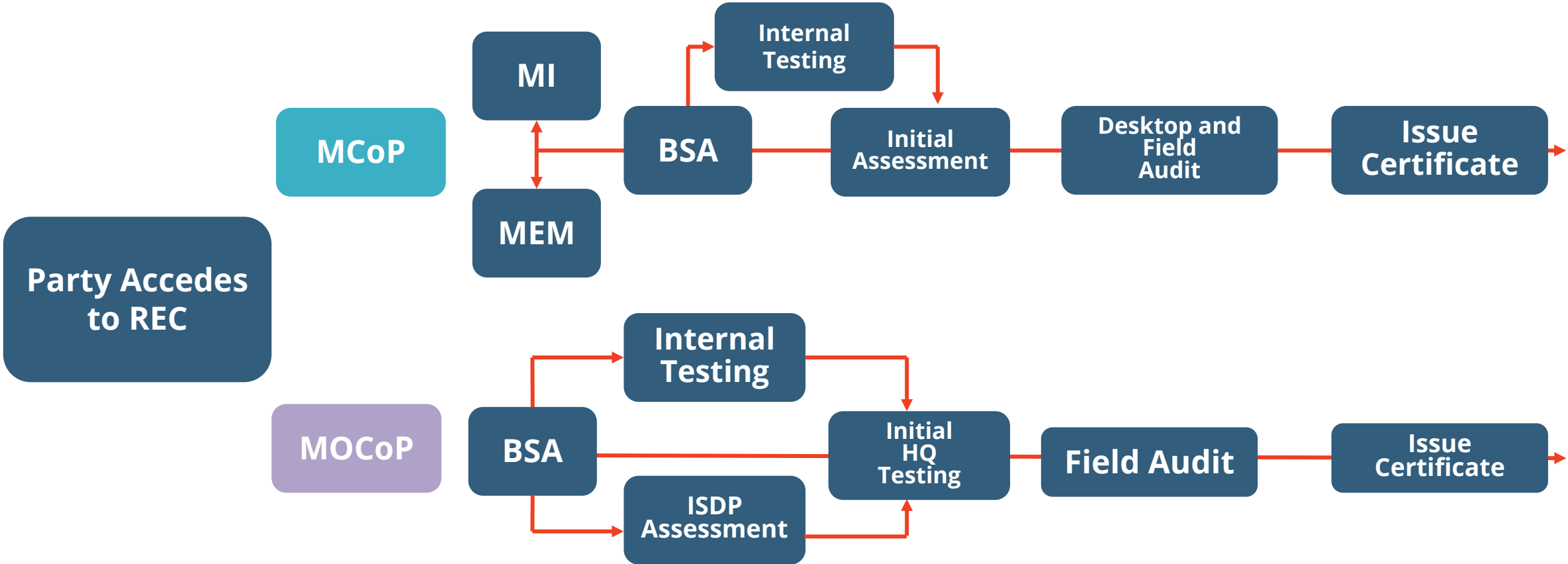


Thank You

Procurement of the Provision of
Audit Services

procurement@retailenergycode.co.uk

Existing arrangements: Becoming Accredited



Existing arrangements: Becoming Accredited continued...



Existing arrangements: Renewal of Accreditation

Renewal date determined by initial accreditation date and cycle

Party notifies Code Manager when approaching threshold

