

Highlights, RECCo Board Meeting, 05 February 2020

1. Publication of RECCo 2020/21 Budget

The Board has issued the RECCo Budget for 2020/21 to REC Parties for approval, a summary of which is available on the RECCo website:

<https://www.retailenergycode.co.uk/information-for-recco-parties/>

The Budget sets out the Board's good faith estimate of the costs that are anticipated to be incurred pursuant to Clause 9 of the Retail Energy Code for the financial year to 31 March 2021. RECCo is a not-for-profit organisation and its income in any one year must match its costs.

For 2020/21 the Board has four primary objectives and the budget reflects the resources necessary to deliver these, alongside its commitment to support Ofgem in the delivery of the Switching Programme.

RECCo will be hosting a webinar on 18 February 2020 to allow Parties an opportunity to discuss the Budget with RECCo Board Directors. Further information will be published before the event, but to register interest or submit any clarification questions please email info@retailenergycode.co.uk.

2. RECCo 2019/20 Finances to end of January 2020

RECCo is now in the final quarter of its current financial year to 31 March 2020. The company is expecting to end the year with an underspend against budget. The underspend is currently estimated to be c.£1.2 million and this will be confirmed as part of the audit of the company financial statements. Key areas of underspend include resources needed to support the Switching Programme (Programme Coordinator and Licenced Party Assurance) and the Midata project. Through a combination of strict financial management and competitive procurement of services the budget contingency has not been utilised. This ~£1.2m underspend will be returned to funding parties in July 2020 as credit (reduction) against the charges to be invoiced in that month by RECCO to funding Parties for the budget costs for the period July – September 2020. No action is required by funding Parties to enable their receipt of this rebate.

3. Procurement of Code Manager Services

The REC Code Manager Services procurement was launched as planned in December 2019 and bidders will be submitting responses in February and March 2020. Contracts are scheduled to be awarded in June 2020.

The Board has appointed an Independent Procurement Evaluation Panel (PEP) to evaluate and score the bids received. The Board does not intend on announcing the names of PEP members, to ensure the integrity of the process and to maintain a level playing field for all bidders.

REC Parties and potential bidders should be assured that, the Board has appointed members with the relevant knowledge and experience to evaluate the bids received, and to recommend the award of contracts. The PEP has an independent Chair and comprises representatives from REC Parties along with a consumer representative and a digital technology expert.

RECCo will provide regular updates on the status of this project to REC Parties via the Code Manager Services page on the RECCo website. Any questions should be directed to procurement@retailenergycode.co.uk

4. RECCo Board Appointment

Jon Dixon stepped down from his role of RECCo Director in September 2019 and took on the role of Ofgem Advisor. There is, then, a vacancy on the Board, and Ofgem has issued a letter to REC Parties proposing the appointment of Alex Travell, Head of Regulatory Affairs at BU-UK Infrastructure. The approach mirrors that of the existing interim directors, selecting a candidate from the ranks of MRASCo and SPAA Ltd Directors, given the obvious overlaps in required expertise and competencies, and the fact that those individuals have already been through an industry selection process.

5. RECCo Resourcing

The Board's key objectives for 2020/21 include a thorough and robust transition of roles and responsibilities from the existing codes to the REC, and of mobilisation of the new service providers following award in June 2020. RECCo is in the process of recruiting Transition and Mobilisation Managers to oversee this process. Expressions of interest should be directed to info@retailenergycode.co.uk

RECCo Board, 09 February 2020