

Highlights, RECCo Board Meeting, 1st April 2020

1. Switching Programme delay

In light of the challenge posed by COVID-19 and following discussions at the 31 March Delivery Group, Ofgem announced that the start of User Entry Process Testing (UEPT) would be delayed by at least 6 months. All subsequent Switching Programme milestones, including go-live of the Central Switching Service, will be re-scheduled accordingly. This is intended to reduce the resource required of market participants and will also extend to other non-critical activities such as responding to consultations or attending working groups.

This will have some impact upon the development of the REC. In order to provide certainty to all Code Parties and relevant (current or potential) service providers, Ofgem will maintain the existing timeline of the Retail Code Consolidation with REC replacing the SPAA and MRA as scheduled in April 2021. However, this may require that the version of the REC to be given effect in April 2021 is a Minimum Viable Product. Whilst all the content and services originally envisaged for the REC will remain in scope, some may be delivered as part of a later release, whether as part of the Switching SCR (where appropriate) or a scheduled REC release.

RECCo will continue to engage with Ofgem to ensure that there is a coordinated approach between its programmes and the mobilisation of REC service providers.

2. Procurement of Code Manager Services

The project to procure the REC Code Manager Service Providers continues to track on target. Bids have been received in all three of the lots – performance assurance, professional services and technical services – and are being evaluated by RECCo's Procurement Evaluation Panel (PEP). The PEP comprises REC Party representatives, an independent consumer representative and an independent Chair. Contracts are due to be awarded in June 2020.

3. Recruitment of RECCo Mobilisation Manager

RECCo is pleased to announce the appointment of Sara Neal as Mobilisation Manager. Sara will be joining in the team in May 2020 to support the procurement team in contract finalisation of the Code Manager Service Providers. Following contract award, Sara will be responsible for the managing the mobilisation of the service providers against their implementation plans ready for go-live in April 2021.

4. RECCo 2019/20 Finances to end of March 2020

RECCo has now completed its 2019/20 financial year to 31 March 2020 and is in progress of finalising the financial statements for that year. As previously communicated, RECCo is expecting to end the year with an underspend against budget. The underspend is currently estimated to be c.£1.3 million and this will be confirmed as part of the audit of the company financial statements. Key areas of underspend against budget 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. The expected underspend will be returned to funding parties as credits (reduction) against the charges to be invoiced for 2020/21.

Like all organisations in the current environment, RECCo is undergoing a re-planning exercise to ensure that its resources are focussed on delivering its core operational requirements and critical projects. This re-planning will also address how to reduce any immediate financial impact on REC funding Parties through deferral of non-critical costs to either later in this financial year or the following year. RECCo is also looking to accelerate a return of at least part of the 2019/20 rebate above as soon as possible to funding Parties.

5. Midata Project to pause

Ofgem confirmed to the Board that the MiData project has been suspended indefinitely. Work to improve the availability and quality of data in facilitation of a data-driven transformation of the retail

energy market will continue. In the short term this will be progressed as part of existing Ofgem programmes such as Switching, Market-wide Half Hourly Settlement and the Smart Data Review. Work that has been completed to date as part of the MiData project will feed into these programmes where appropriate, and will also form the basis of the data access agreements and wider data governance to be provided through the REC.

RECCo Board, 14 April 2020