

recco

2025-30

Strategy



Perform

Protect

Progress

Contents



01 Introduction

02 Driving the strategy

03 Strategic priorities & outcomes

04 Delivery & reporting

I am pleased to introduce our first standalone and multiyear strategy document. This document sets out our vision and ambitions for what the Retail Energy Code (REC) and the Retail Energy Code Company (RECCo) will focus on over the coming years and the role the code and our organisation will play in transforming our energy industry.

The REC was created to consolidate, simplify and improve the effectiveness of the electricity and gas retail markets governance, including developing new rules and procedures as the market evolves. The ability to effect change is increasingly important as our energy industry moves at pace towards decarbonisation and achievement of the UK government's ambitious Net-Zero targets. The achievement of those targets while minimising cost to the consumer requires transformation not only of the means of generating energy but of the market itself.

The provision of small-scale generation, storage and/or flexibility is increasingly the domain of nontraditional market participants, including consumers acting in a different role. The importance of that sector in supplementing and smoothing the peaks and troughs of intermittent generation is growing, and it provides a cost-efficient alternative to upstream infrastructure investments. However, its potential can only be realised if available to, understood and trusted by all consumers.

Retail governance will have a crucial role not only in ensuring the efficacy of arrangements, but in protecting consumer interests and maintaining their trust.

The introduction of the Code Manager licence and wider code reform, including consolidation, presents an opportunity to clarify the roles and responsibilities of each of the new licensees and establish effective and legally robust requirements to cooperate, not just in the delivery of change that may have crosscode implications, but also day-to-day operations and the delivery of services. We anticipate that when the licence is awarded, RECCo will become the Code Manager of the REC.

We believe that our scope is clear and readily adaptable to the changing market - to provide effective governance where appropriate in the space between the industry and the consumer. This may require extending existing governance and services to include new parties. In other cases, there may be new roles that we may suitably fulfil.

We will only pursue additional roles where it is a natural strategic fit and beneficial to our stakeholders to do so. The objective basis for determining that fit may be determined in large part by the Code Manager licence and whether they are suitably within the scope of the REC as determined through the change management process.

Our aim is, and will continue to be, to provide solutions to the problems facing our stakeholders, facilitating the efficient and effective running of the retail energy market, including its systems and processes.

Chris Anastasi
REC Board Chairman

“The Retail Energy Code (REC) and the Retail Energy Code Company (RECCo) will play a pivotal role in transforming our energy industry, ensuring effective governance, protecting consumer interests, and supporting the UK government’s Net-Zero targets while adapting to a rapidly changing market.”





Introduction

Introduction

Since the REC was created, we have published an annual Strategy and Forward Work Plan.

While these documents have generally been well received, we have listened to our stakeholders' request for further transparency of our longer-term strategy and the potential evolution of RECCo and of the REC itself.

Of course, this evolution is not all within our direct control, being shaped by regulatory policy including the forthcoming Code Manager licence and REC change proposals, which any interested person can raise.

The energy industry is facing a period of unprecedented change. It is crucial that the energy consumer remains at the heart of the energy system transformation rather than a consequential consideration.

The retail energy market will be critical in supporting consumer engagement and the uptake of new technologies.

How well we prepare the retail energy market for this role will depend on understanding the macro and micro-environments, including how we remain abreast of the political landscape and the emerging policies that will drive change. This may include an increased focus on the social issues that impact energy consumers, not least the cost of living and levels of energy debt.

While our delivery of the retail arrangements should continue to be agnostic to the technologies and business models employed by market participants, we consider it part of our role as an intelligent service provider to anticipate and proactively adapt to changing requirements and exploit the possibilities that technologies such as Artificial Intelligence and data analytics may have on our own operations and service delivery.

“It is crucial that the energy consumer remains at the heart of the energy system transformation, rather than a consequential consideration.”



“A key objective will be to balance the delivery of substantive change without compromising existing services.”

In developing this strategy, the RECCo Board held workshops and considered a range of input, including feedback from stakeholders on our current services, how they should evolve, and the environment in which we operate. We have had particular regard to the Future Energy Scenarios produced by the National Energy Systems Operator, which sets out a number of strategic and credible energy futures to support Great Britain’s decarbonisation journey to net zero and to Ofgem’s multiyear strategy.

Although these documents focus mainly on the transformational changes needed to the upstream system, in some cases, they have clear implications for the retail market. In others, we applied our own extrapolation, seeking to establish scenario-based options for our development. What is consistent is that the retail energy market must evolve if it is to enable the adoption of low-carbon technologies.

In some cases, the work we anticipate being required can be conducted on a no risk/no regrets basis, while for others, we have sought to identify the conditions and timetable for crucial decisions. For instance, we envisage consumers shifting from having a linear supply of gas and electricity to needing a range of services, potentially from multiple providers.

The technologies, systems and processes that underpin the retail energy market must adapt to meet these changing requirements. Our role will be to facilitate this evolution through understanding and preparing for the impacts, changes and investment required. We have therefore reviewed our existing and potential capabilities, and the opportunities to improve upon what we do and how we do it.

A key objective will be to balance the delivery of substantive change without compromising existing services. This may include giving effect to what could be an annual Strategic Direction from Ofgem. This may require a new, dynamic, and more holistic approach to prioritisation, shaped not only by our own internal planning, but also input from other stakeholders, including REC Parties, service providers, other code bodies, and Ofgem.

We have developed Strategic Aims to help guide our approach and navigate this changing environment to benefit of consumers and the retail energy market.



Driving the strategy

Our mission statement



Our five C's represent the outcomes we aim to achieve. They help ensure our focus remains aligned with and true to our mission.

Driving our strategy

REC Objectives



To ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement



To ensure customers' interests and data are protected in the operation of the REC



To drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructures it governs

Our Mission Statement and the REC objectives serve as the guiding framework for our strategy, shaping the scope of the REC and RECCo activities.

The REC defines RECCo's role, and any changes to the REC must go through the REC change process.

Approval of changes requires a positive business case and/or alignment with REC objectives.

Our aims

These aims are not wholly separate or exclusive; they will reinforce each other and help drive our strategic priorities, our decision making, and business planning processes.



Our
Mission

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

Strategic
Aims & priorities

Perform

- Service excellence
- Systems and technology
- Licence fulfilment
- Our people

Protect

- System security
- Open data
- Performance assurance
- Mitigate consumer harms

Progress

- Facilitate innovation
- Risk management
- Programme delivery
- Horizon scanning



Strategic priorities & outcomes

How it works

Our strategic aims

Perform

We are a trusted expert provider and enabler of code management and services

Protect

We safeguard consumers' interests and data by providing secure digital services tailored for the retail energy market

Progress

We drive solutions and innovations to support an effective retail market for today and the future

We use our strategic aims to drive our **strategic priorities**. We will:



Adhere to our parameters

Apply existing competencies or systems to new use cases



Develop to support market innovation

Where it aligns with our mission statement

Our commitment

Identify workstreams that support our mission statement

REC Objectives serve as assessment criteria

Is it, or should it be governed by the REC?

Is it, or should it be a RECCo service?

Strategic Priorities

Perform

We are a trusted expert provider and enabler of code management and services



*Service
Excellence*

*Systems &
Technology*

*Licence
Fulfilment*

*Our
People*

What our strategic priorities mean

-  We are committed to providing a best-in-class governance model, over both the REC itself and the services
-  We provide transparent and measurable value-for-money
-  We embrace learnings and adapt

Strategic Priorities

Perform

We are the trusted expert provider and enabler of code management and services

Priorities

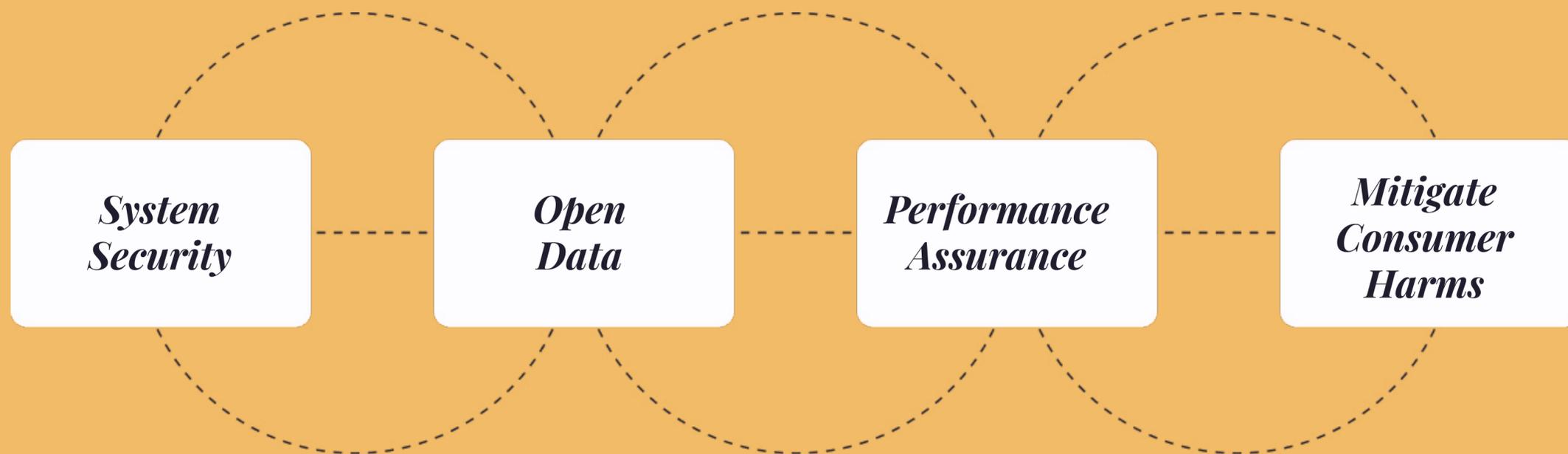


Outcomes



Protect

We safeguard consumers' interests and data by providing secure digital services tailored for the retail energy market



What our strategic priorities mean

-  Oversee and manage the rules, systems and processes set out in the REC.
-  Ensuring that they are effective, efficient, and deliver the intended outcomes and meet future needs.
-  Proactively identify and resolve pain points, making continuous incremental improvements.
-  Anticipate and adapt to more fundamental change requirements as the UK energy market moves to greater electrification.

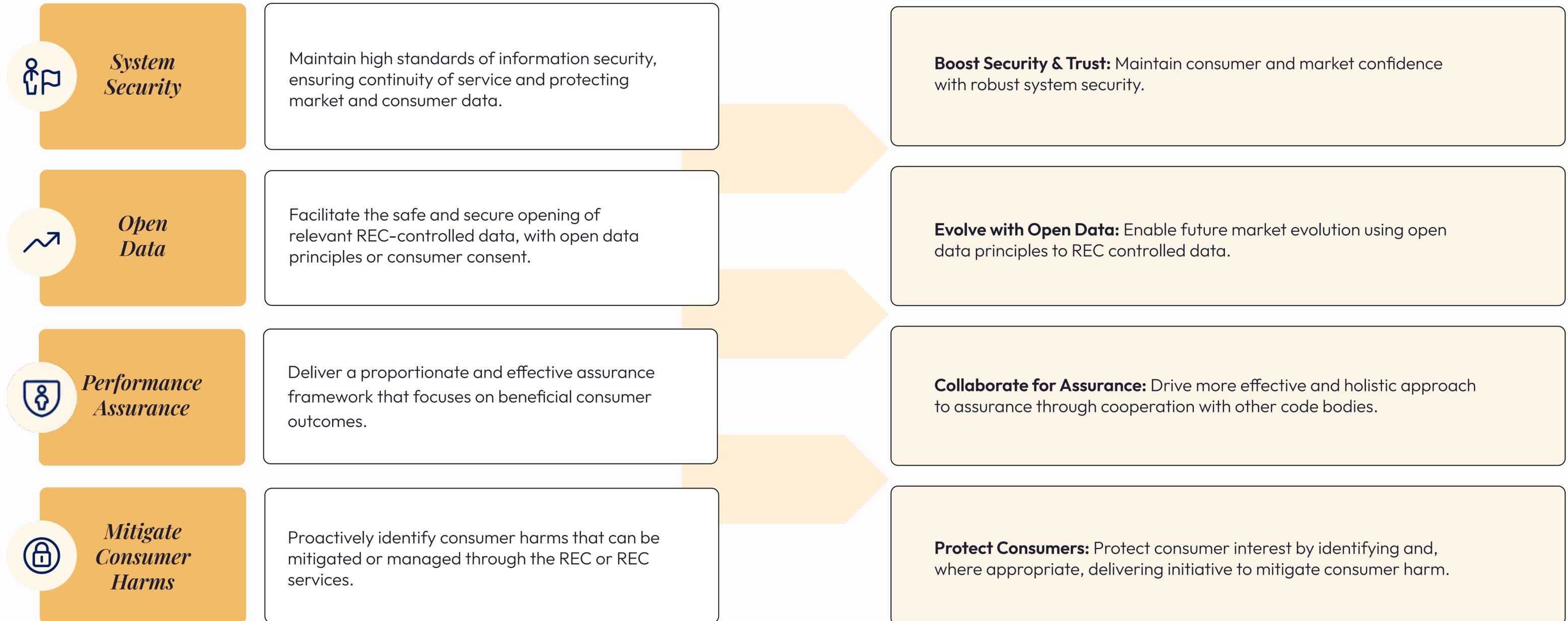
Strategic Priorities

Protect

We safeguard consumers' interests and data by providing secure digital services tailored for the retail energy market.

Priorities

Outcomes



Strategic Priorities

Progress

We drive solutions and facilitate innovations that ensure an effective retail market for today and the future



*Facilitate
Innovation*

*Risk
Management*

*Programme
Delivery*

*Horizon
Scanning*

What our strategic priorities mean



Work proactively with all stakeholders to identify solutions



We make improvements that contribute to a better-functioning retail energy market and facilitate our wider strategic objectives.

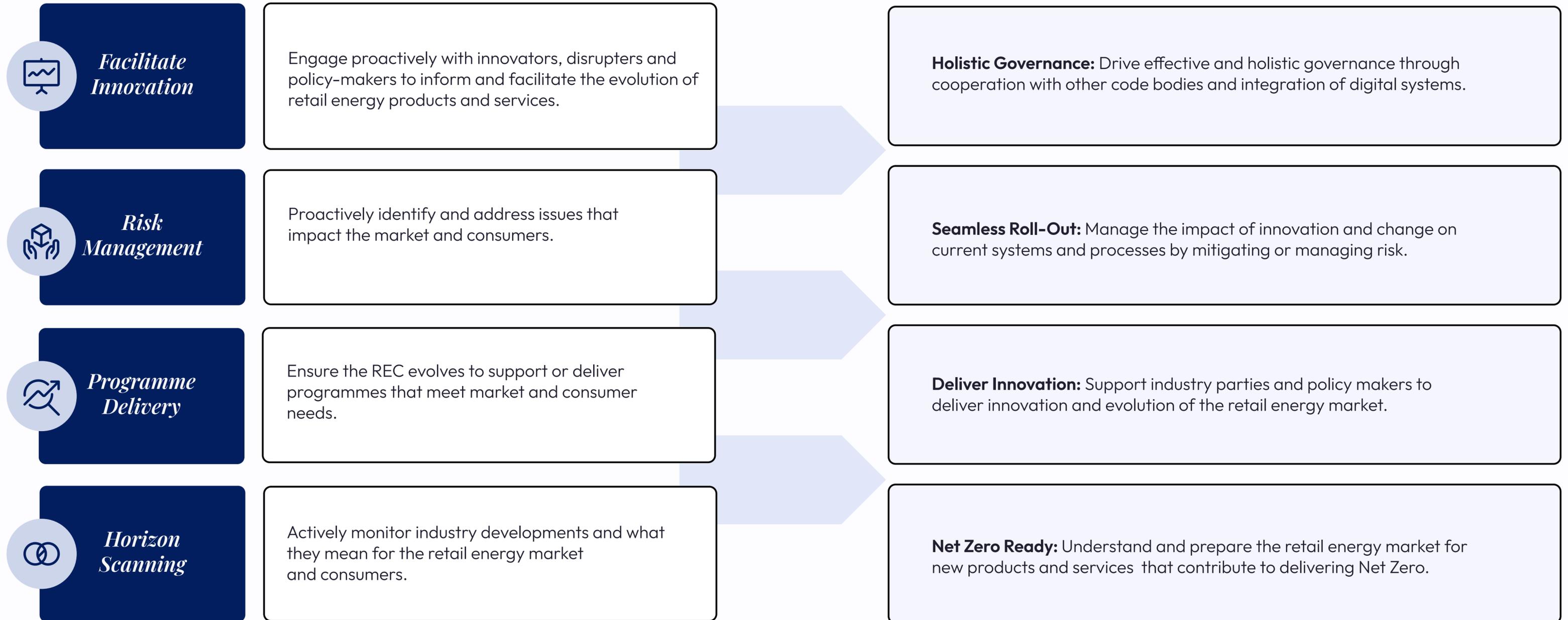
Strategic Priorities

Progress

We are the trusted expert provider and enabler of code management and services

Priorities

Outcomes





Delivery & reporting

Our Approach

The REC and the services provided through the REC will play an important role in ensuring that the transformation of the GB energy industry is undertaken in a way that prioritises the needs of all consumers. We are also conscious that as a not-for-profit

organisation whose costs are passed through to industry parties and ultimately borne by consumers, we must be transparent and accountable, particularly in delivering value-for-money. We do this through our planning and reporting.



Our planning and reporting

Forward Work Plan

We will set out our workstreams, operational plans and indicative budget for the coming three-year period.

Budget

Following confirmation of the Forward Work Plan, we will provide the final Budget for the coming year and projections for the following two years.

Quarterly Reports

We will publish quarterly progress reports, providing a comprehensive update on our progress towards the delivery of key priorities, as outlined in the Forward Work Plan and Budget.

Annual Report

We will provide details of how well we have delivered against our Forward Work Plan, our operational functions and service delivery.



For any comments please contact:
strategy@retailenergycode.co.uk

www.retailenergycode.co.uk

