

Market Oversight and Enforcement
Ofgem

By email only: industrycodes@ofgem.gov.uk

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RECCo response to the consultation to modify the code manager licences for the Retail Energy Code

We welcome the opportunity to respond to Ofgem's statutory consultation on the proposed modifications to the Retail Energy Code (REC) Code Manager Licence.

RECCo supports the proposed modifications. They provide a clear and pragmatic basis for the transition to licensed Code Manager arrangements, maintaining continuity while establishing the new governance framework.

In particular, we support the transitional provisions for the Annual Budget, budget appeals, cost recovery and Delivery Plan. The proposed arrangements are broadly consistent with the REC's established processes for consultation, budget approval and appeal, providing a sound basis for aligning those processes with the additional requirements of the licence framework. We therefore welcome provisions that recognise processes undertaken before licence commencement and avoid unnecessary duplication while accommodating the additional requirements of the licensed regime.

We also welcome the Transitional Performance Framework. Establishing this outside the codes will allow the arrangements to be refined as experience of the new model develops. Requiring agreement between licensed Code Managers and consultation with Stakeholder Advisory Forums provides appropriate safeguards and supports consistency across licensed codes.

Finally, we support carrying the existing REC Relevant Code Objectives into Special Condition 1, maintaining continuity as responsibility for code governance transfers to the licensed Code Manager.

We would be happy to discuss this response or support the remaining implementation work.

Yours sincerely,

Jon Dixon
Director, Strategy and Development