Performance Assurance Operating Plan (PAOP)

Version 4.0 (FINAL) – September 2023

Contents

CHANGE HISTORY

Version	Status	Issue Date	Author	Comments
v1.0	Final	19/07/2021	The Code Manager	N/A
v2.0	Draft	18/10/2021	The Code Manager	Updated following Performance Assurance Framework (PAF) product review
v3.0	Draft	20/09/2022	The Code Manager	Updated for Year 2.
v3.0	Final	01/11/2022	The Code Manager	Finalised following consultation.
v4.0	Draft	30/08/2023	The Code Manager	Updated for Year 3.

Performance Assurance Operating Plan (PAOP)

1.   PERFORMANCE ASSURANCE APPROACH

1.1 What is the role of the Performance Assurance service?

The Performance Assurance team monitor Party and Service Provider performance and intervene to help improve market performance, either at an individual level or market level, and prevent consumer detriment. Our services are focused on some of the most important areas in which customers interact with the GB energy system, as shown below.
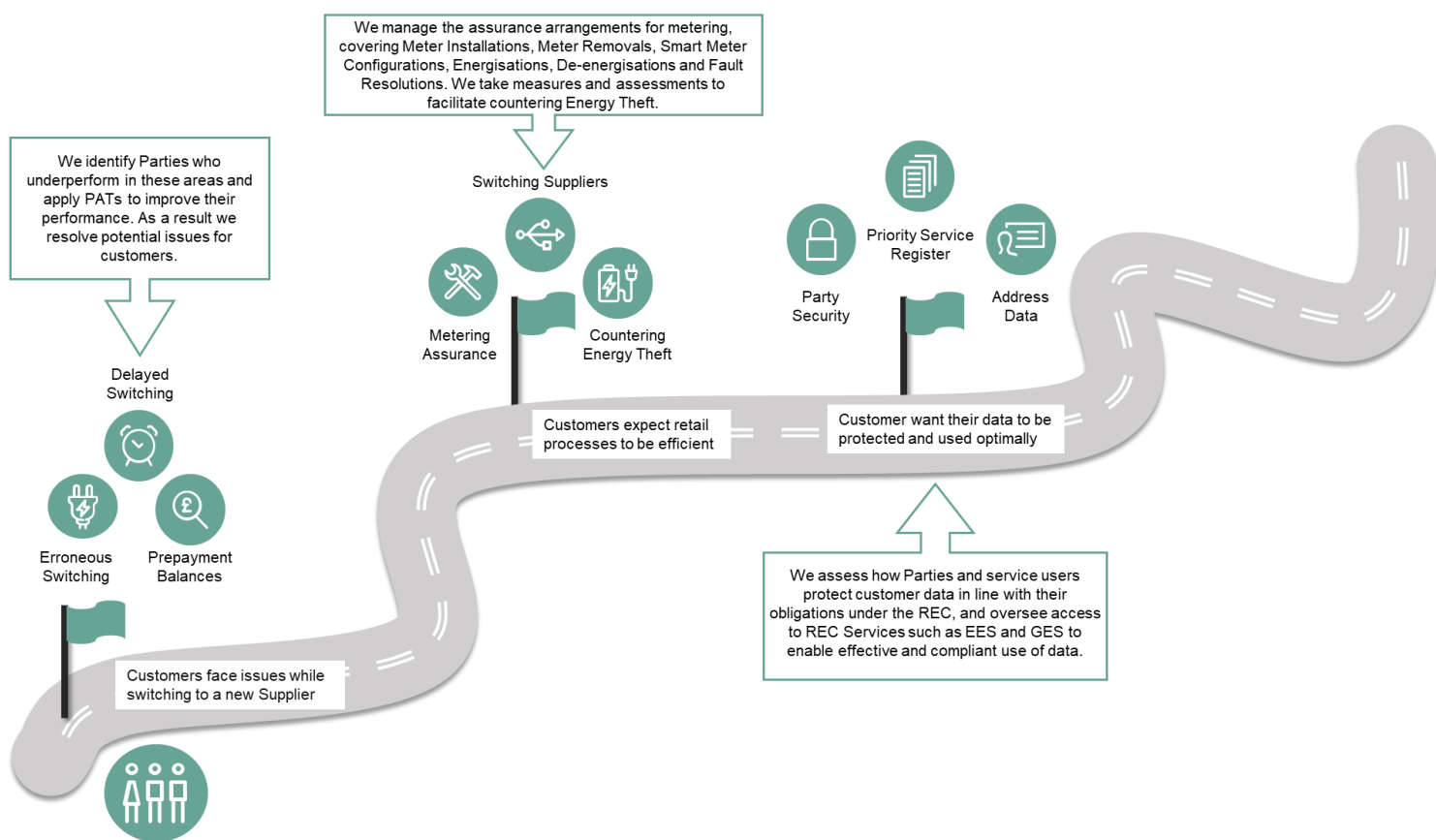
The Performance Assurance service launched in September 2021 governs REC Parties and Service Providers. This includes monitoring market performance and applying performance assurance techniques. At its simplest we control entry to the market, only allowing competent organisations access to REC services. We make sure that Parties maintain this competence through maintenance of qualification, we monitor how Parties behave to understand the causes of poor consumer outcomes, directly assure organisations where this is more effective than monitoring and oversee REC Service Provider performance.

1. Making sure new entrants are ready

2. Managing the risks around dormancy and over trading to other participants

3. Holding service providers to account against their required service levels

4. Making sure that processes between Parties happen effectively, so consumers are not harmed, or other Parties unable to resolve issues

2. DEFINING OUR OPERATING PLAN

2.1 Overall Prioritisation

In 2022/23 we forecast how we would prioritise our time on five key activities. We have set out below this expectation as well as how we have actually spent our time:
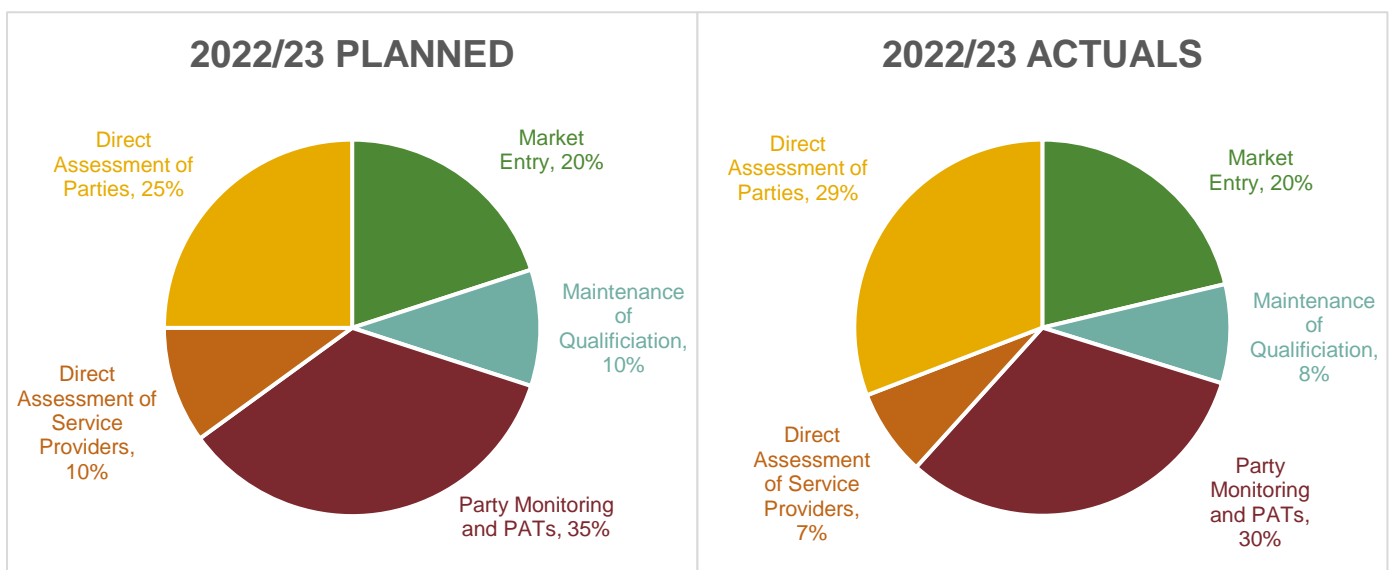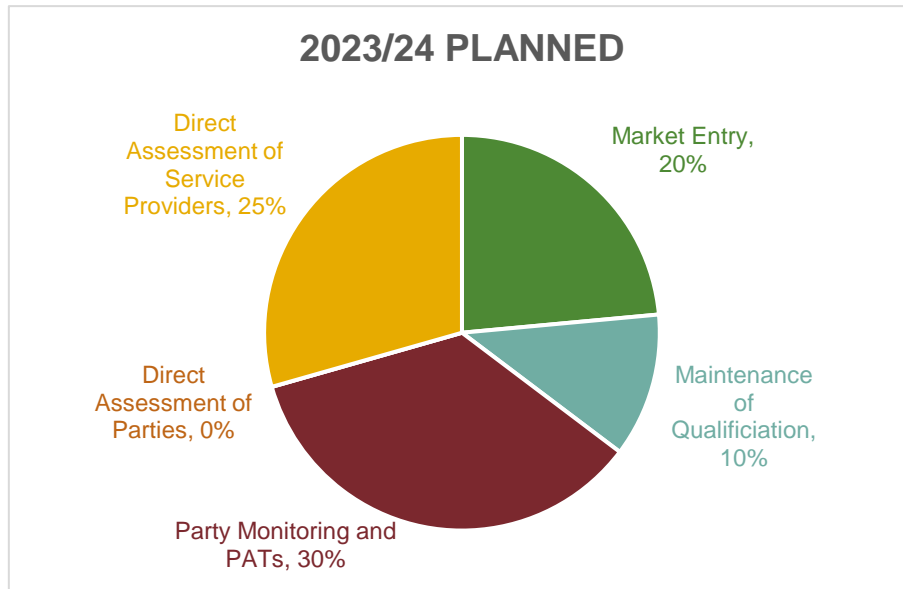

These variances arose from:

- Greater focus on the development of MHHS Qualification processes particularly since January 2023.
- Direct Assessment of Service Providers increased due to CSS-related incidents requiring further assurance activities.
- Maintenance of Qualification reduction due to streamlining of the process following delivery of the required REC Portal functionality (noting there are further opportunities to make the process efficient by fixing recurring Portal issues) and by taking a firmer line with Participants on poor performance and low engagement, helping reduce the effort spent on follow ups.

As we move into Year 3, we expect that MHHS will become a more prominent focus for Performance Assurance as the market prepares to transition to the new arrangements. As a result of this, it is expected that there is a shift from new entrants into the market towards companies focusing on qualifying for MHHS.

Through effective use of PATs and deep dive reviews, the Code Manager will be adopting a forward-looking risk management approach which will help to underpin proactive prevention of Service Provider issues, reducing the need for application of reactive techniques in response to incidents. We therefore have created a plan based on an overall time allocation as follows:

2023/24 PLANNED

- Direct Assessment of Service Providers, 25%
- Direct Assessment of Parties, 0%
- Party Monitoring and PATs, 30%
- Maintenance of Qualificiation, 10%
- Market Entry, 20%

2.2 Strategic Assurance Priorities

Based on our understanding of performance across the market we have taken different assurance strategies for different areas. We have set out below how we intend on doing this below. Should we need to flex to market conditions we will discuss changes to our approach with the PAB before changing strategy.

	Drive accountability through reporting	Intervene to improve specific organisations	Direct updates to PAB	Intervene to address cross cutting issues
Switching, including the resumption of mass domestic switching	●			
Metering				●
Service Providers	●	●	●	
Industry Change				●
Data cleanse	●	●		●

3.   PERFORMANCE ASSURANCE IMPROVEMENT

Based on our experience of operating the Performance Assurance Framework over the past two years, and feedback from the PAB, we have identified three key areas where we can further develop and enhance our service.

Integration between the PAB and the RECCo Board

We recognise that there are improvements that can be made to better align the strategic objectives of the Performance Assurance Board and the RECCo Board. We will look to introduce quarterly reporting to the Board that covers:

1. The agenda of each meeting, with the key decisions made
2. Summary of the performance of the REC services reviewed in the quarter
3. Any requests / referrals to the Board

A regular process of service deep dives

From our experience in Y2, we are adapting our approach to Risk Management by adopting a more proactive and forward-looking approach, focusing on areas of greatest Retail Risk impact. This improves the ability to manage both existing and emerging risks, whilst ensuring REC Services can adapt to unwanted events or crises and mitigate their potential impact on performance. We will do this by:

1. Regular monitoring of performance
2. Identifying key trends and areas of focus
3. Conduct deep dives in areas that are likely to cause the greatest impact on retail risks

Getting a stronger voice of the consumer

We will look to directly understand consumer priorities and use these to direct both REC development and assurance. This could involve:

1. Broader surveys commissioned by RECCo to assess consumer views on the efficacy of the code
2. Placing requirements on Parties to deliver specific point-in-time surveys, for example by expanding the smart meter installation survey.

3.1 Other areas of focus for Performance Assurance

In developing our operating plan we have taken feedback from Parties, both at specific drop in sessions on this operating plan, and through the *RECCo on the Road* process which sought feedback on RECCo's services, including the REC Code Manager.

Improving communication with industry

RECCo on the Road established the need to enhance communication – particularly about what is working well, but also on communicating to those that are performing well our actions to improve the performance of others. Parties do not consider no news to be good news. We also heard the

importance of communicating when actions are closed, and will include this as a key feature in our webinars for cross cutting activities, and with organisations with more specific actions, such as when they respond to an RFC.

Clearer Reporting on Service Providers

Throughout the year ahead we plan to enhance the ways in which we communicate with industry, and articulate the benefits that Performance Assurance and the Code Manager drives. Some of this will come from a more cohesive engagement and communications plan highlighting key areas of focus and successes. We will do this by:

1. Communicate clearly what is working well as part of the Quarterly PA webinars (September, December, March, June) will now include a section on what is working well, and communications on service provider performance.
2. Work with RECCo on communicating the annual report and ratings, including praise for good players!
3. Provide clarity on the work that PA does that does not cover Suppliers, particularly in relation to the performance of DCC, but also CM, EES, GES, etc.
4. Provide specific briefings post the completion of the performance assurance where appropriate and relevant to the market.

Dashboard Enhancement

We have transitioned the majority of our performance assurance reporting to the Performance Assurance Dashboard, moving towards a more digitalised approach, and will use the dashboard as the primary means for performance assurance reporting going forwards.

Transparency and accountability are key priorities outlined by the PAB, with this being driven primarily by increased data sharing and the release of the dashboards being the first key step. An incremental approach to sharing data more widely has been agreed with the PAB, whereby we will be transitioning from data being provided to individual Parties only or on an anonymised basis to data eventually being shared publicly on an unanonymised basis. This process has recently begun with the Overall Party Score dashboard tab, in which data is provided to all Parties at an anonymised level. This process will continue throughout the coming year.

The dashboard has been iterated and enhanced several times since its launch, to facilitate additional reporting to a more digitalised delivery method and to factor in Party feedback. We continually seek feedback on the dashboard with a view to improve and make changes that would benefit Parties. We plan to complete an annual dashboard engagement and feedback exercise in November 2023 to inform a longer-term development plan.

Data collection

A key development introduced over the past year was real-time file validation within the REC Portal to facilitate higher quality data provision by Parties to the Code Manager. The introduction of the functionality initially drove a high number of queries in relation to file submissions by Parties being

rejected on upload, however, we invested significant time towards engagement with Parties via the helpdesk and through engagement meetings to help bring data submissions in line with the requirements. Since its introduction, we have seen an improvement in data quality, which has allowed us to further automate and improve our reporting process. This has led to a reduction in the volume of back-and-forth communication with Parties following their data submission. We will continue to review and refine this process on an ongoing basis.

Feedback from RECCo on the Road included highlighting that they felt that there was too much data required from Parties, that there are inconsistencies in the data submitted by Parties, and that it isn't fair on those Parties that do comply with reporting requirements, that others do not.

Throughout the year ahead we plan to continue to engage with Parties regarding how we use the data submitted, how it benefits the industry, how it enables us to better quantify performance in the market and how it provides accurate evidence to enable market assurance. We will also conduct a review of the Performance Assurance Report Catalogue in October 2023 to assess whether the data categories and data specifications required from Parties can be further refined, and this will involve discussion with PAB around their attitude to agreeing with industry what is required, and taking enforcement action against those that do not comply.

4. CODE MANAGER ACTIVITIES - INDICATIVE TIMELINE

The following table outlines an indicative timeline for when year 3 activity will take place.

Key:		Planned activity
		Potential activity dependent on performance

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Baseline Techniques													
Market entry assessment	■	■	■	■	■	■	■	■	■	■	■	■	■
Maintenance of Qualification	■	■	■	■	■	■	■	■	■	■	■	■	■
Re-communicating Maintenance deadlines for 1 Jan 2024 – 31 Dec 2024	■												
Core Party Monitoring, Assessment and Remediation													
Monthly risk determinations where all Retail Risks are monitored	■	■	■	■	■	■	■	■	■	■	■	■	■
Additional Performance Assurance Techniques	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Data cleanse sprint 1	▢	▢	■										
Data cleanse sprint 2[1]				▢	▢	▢	▢	▢	■				
Data cleanse sprint 3	■									▢	▢	▢	▢
Annual Rating of Party Performance	■												■
Additional PATs Applied													
Direct assessment of data access to CSS									■				
Peer comparison on Erroneous Switches	■	■	■	■	■	■	■	■	■	■	■	■	■
Specific topic monitoring on Metering updates	■	■	■	■	■	■	■	■	■	■	■	■	■
Analysis of MEM data reconciliation by CDSP	■												■
Theft Detection Incentive Schemes													
Theft target published						■							
Final theft submission for the reporting year									■				

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[1] Depending on progress, Party feedback and external factors we may vary our sprint lengths after Sprint 1 closure.

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Theft credits / debits communicated												X	
TDIS reporting	X	X	X	X	X	X	X	X	X	X	X	X	
Associated Operational Processes													
Meter Accreditation	X	X	X	X	X	X	X	X	X	X	X	X	X
Helpdesk Service	X	X	X	X	X	X	X	X	X	X	X	X	X
Improvement activities related to Change Management	X	X	X	X	X	X	X	X	X	X	X	X	X
Communication and improvement													
Performance Assurance engagement session, providing insight to the market	X			X						X			
Market entry training sessions				X			X			X			
Dashboard engagement and feedback			X										
Reporting on PAB relevant changes and the change process			X			X			X			X	

5. PAB AND CODE MANAGER ACTIVITIES

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
PAB Reports to RECCo Board													
Quarterly reports				X			X			X			X
PAB topic deep dives													
Switching post July 2023 price cap change				X									
Annual review of CME and dormant Parties				X									
MHHS Updates													
Impact on Retail Risk Register	X												
Impact on PARC	X	X											
Impact on other Category 3 PAF products	X	X		X				X					
Qualification Approach and Plan approval							X		X			X	
Qualification Assessment Document approval[2]							X					X	

[2] There is a dependency on artefacts delivered by the MHHS Programme. Dates for delivery are yet to be confirmed.

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Assessment Criteria for Qualification by Market Role	■												
Qualification Tranche Planning									■				
Quarterly update on Qualification progress									■			■	
PAB Code Manager Operational Updates													
Assurance		■											
Change management and the Codes Roadmap					■						■		
Stakeholder management								■					
Technical services											■		
PAB deep dive by Service Provider													
CSS, CSS Certificate Authority and Switching Operator	■			■			■			■			
Electricity Enquiry Service						■							
Gas Enquiry Service							■						
RECCo Services (Code Manager, Metering Auditor etc.)										■			
PAF Product Review													
Performance Assurance: Retail Risk Register	■												■
Performance Assurance: Methodology and Techniques		■						■					
Performance Assurance: Report Catalogue		■											
Performance Assurance Board (PAB) Procedures											■		
Data Cleanse - Active Relationship Report Guidance								■					
Data Cleanse Reports Guidance								■					
REC Entry Assessment Forms			■										
Entry Assessment Information Pack					■								
REC Service User Categorisation							■						

6.   PERFORMANCE ASSURANCE OF CENTRAL SERVICE PROVIDERS

From our experience in 2022/23, and through deep-dive reviews focusing on areas of greatest Retail Risk impact, we are adopting a forward-looking risk management approach. This improves the ability to manage both existing and emerging risks, whilst ensuring REC Services can adapt to unwanted events or crises and mitigate their potential impact on performance.

REC Service Provider	Scope of Services	22/23 Level of focus	23/24 level of focus	Performance Assurance Approach
REC Code Manager Providers	Professional and technical services provided to enable the delivery of the Retail Energy Code.	Moderate	Moderate	Quarterly assessment of the accuracy of reporting. Quarterly operational updates and performance reporting to the PAB covering: assurance, change management, stakeholder management, technical services.
Electricity Enquiry Service (EES)	Supply meter point service covering electricity meters. This is used by suppliers and numerous non REC Party users, including during switching.	Moderate	Moderate	Annual assessment of the accuracy of reporting. Annual performance reporting to the PAB. PATs based on Service Definition Performance.
Gas Enquiry Service (GES)	Supply meter point service covering gas meters. This is used by suppliers and numerous non REC Party users, including during switching.	Moderate	Moderate	Annual assessment of the accuracy of reporting. Annual performance reporting to the PAB. PATs based on Service Definition Performance.
Switching Operator Provider	Delivery of switching service desk and service management system, which support the resolution of issues and improvement activities.	Very high	Very High	Evaluation of the delivery of REC obligations, including the accuracy of any information reported to PAB.

REC Service Provider	Scope of Services	22/23 Level of focus	23/24 level of focus	Performance Assurance Approach
Central Switching Service (CSS) and associated Certificate Authority	Registration and address management services, which are critical to switching processes.	Very high	Very High	Evaluation of the delivery of REC obligations, including the accuracy of any information reported to PAB.
Electricity Retail Data Service (ERDS)	Enables the exchange of Registration and Registerable Meter Point data between DNOs, suppliers and the Central Switching Service.	Moderate	Low	PATs based on Service Definition Performance.
Gas Retail Data Service (GRDS)	Enables the exchange of data the Central Switching Service and the Central Data Service Provider.	Moderate	Low	PATs based on Service Definition Performance.
Energy Theft Tip Off Service (ETTOS)	Services to enable anonymous reporting of energy theft for investigation.	Low	Low	Our work will be limited to reactive investigation of issues, to reflect the lower level of risk and nature of the ETTOS provider.

We are aware of issues with the metrics contained within switching service definitions, for example that they are not uniquely defined or in some instances service providers can miss their SLAs due to the actions of other switching services. We will work with RECCo and other parts of the Code Manager to initiate a change proposal to address these issues. This will include consideration of the needs of users of the service, which are primarily REC Parties, as well as which metrics are appropriate to measure the service as implemented.

To find out more please contact:

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