

Minutes of Code Change Committee

Public Session

Meeting 15

11 May 2023

MS Teams

Status of the Minutes: FINAL

Anthony Pygram	AP	Independent Chair	Ulrike Hotopp	UH	Independent Member
Mike O'Connor	MO	Independent Member	Paul Stelfox	PS	Wholesaler Member
Mike Rathbone	MR	Wholesaler Member	Matthew Glover	MG	Retailer Member
Trevor Nelson	NP	Retailer Member Alternate (for Claire Yeates)	Christina Blackwell	CB	Customer Representative
Steve Creighton	SC	Alternative Customer Representative	Paul Stelfox	PS	Wholesaler Member

AFFILIATE MEMBERS PRESENT

Dan Mason	DM	Ofwat Affiliate Member			
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Nichola Vincendeau	NV	Secretariat
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OTHER ATTENDEES

Stuart Boyle	SB	MOSL Presenter (item 3)	Sasha Pearce	SP	Ofwat
Evan Joanette	EJ	MOSL Presenter (item 4)	John Gilbert	JG	MOSL Presenter (item 4)
Huw Comerford	HC	MOSL Presenter (item 5)	John Davies	JD	MOSL Proposer (item 5)
Markus Lloyd	ML	MOSL Presenter (item 6)	Flo Monea	FM	MOSL Observer
Holly Woodhead	HW	Ofwat Observer			

APOLOGIES

Claire Yeates	CY	Retailer Member	Sarah McMath	SM	MOSL Affiliate Member
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1. Welcome and Introductions

- 1.1. The Chair welcomed members to the Code Change Committee (CCC) meeting.
- 1.2. It was confirmed that the meeting was quorate.
- 1.3. Apologies were received and accepted from CY and SM. TN attended as an alternate for CY.
- 1.4. Code Change Committee members were asked to declare any potential conflicts of interest in relation to the meeting agenda. No declarations were made.

2. Minutes and Outstanding Actions

- 2.1. The Committee noted the minutes from CCC14 (12 April 2023) which had been circulated for review with the agenda and meeting papers for CCC15. There were no additional comments, and the minutes were approved for publication. There was one minor change was made to section 5 of the minutes and the minutes were updated and approved.
- 2.2. The Code Change Committee agreed that the following actions should remain open:
CCC03_01, CCC12_02, CCC13_01
- 2.3. The Code Change Committee agreed that the following actions should be closed:

CCC02_01, CCC14_01, CCC14_02, CCC14_03

3. Change Report

- 3.1. SB presented a summary of the change report. This highlighted the current delivery programme, upcoming changes, changes that were currently on hold, those in the pipeline, consultations, trading party requests, post-implementation reviews and Ofwat decisions.
- 3.2. SB made the committee aware that [CPW132 'Credit Support and Wholesaler Credit Ratings'](#) would come off hold in June. MOSL had discussed the change with the proposer who still wants to proceed. A working group will not be required to develop a solution. A query was raised around the link between CPW132 and the Ofwat Request For Information on strengthening the monitoring of financial resilience; SB confirmed that the proposer's concern related to the period up to April 2025 when wholesaler licence changes came into effect. DM confirmed that the RFI related to Retailers not Wholesalers and therefore wasn't directly related.
- 3.3. Ofwat confirmed that [CPM050 'Data Cleanse Funding'](#) had been approved on the morning of the committee meeting and that a decision on [CPW138 'Housekeeping Changes post CPW070 & CPM043'](#) was due in the next week.
- 3.4. There was a discussion about the Strategic Panel's priorities, focussing on water efficiency and innovation and whilst, currently, there are no changes in the pipeline relating to these areas, RWG has a committee dedicated to water efficiency and the Strategic Panel is hosting a Round Table relating to water efficiency. Work relating to water efficiency may or may not result in code changes in the future. In terms of innovation, the issue of open data and how it may be supported within the code will be considered by the Strategic Panel in line with its priorities and data quality will be key in this. Another area for future consideration in terms of code change is whether there are areas of the market rules that are inhibiting innovation.
- 3.5. DM said that we are at the start of the journey with regards to water efficiency and regulatory interventions were likely to be needed to move this forward. Getting the incentives right and making sure these benefit wholesalers, retailers and customers will be key. The absence of code change proposals is not indicative of the quantity of work going on in this area.
- 3.6. The Code Change Committee:
 - **NOTED** the change report.

4. Market Performance Framework (MPF) Reform Programme Briefing

- 4.1 The CCC received a briefing on the Market Performance Framework (MPF) Reform programme. The aim of the briefing was to provide an overview of this programme of work which will lead to code changes in the future. The project has looked at the core market activities needed to deliver good outcomes, with a focus on outcomes for customers. These have been identified through the Performance Advisory Group (PAG) and two consultations. Post consultation 2, the Programme team would be focussing on the critical highest tier activities and most credible metrics and interventions before representing an MPF 2.0 model to the industry. A priority focus was on delivering quick wins and the Programme team would be looking to come up with a credible list of possible solutions which could require code changes to be brought before the committee in the summer. The CCC noted that complementary quick wins (that might not require a code change) may also be progressed via the MPC. This could include, for example, revised or new Additional Performance Indicators (APIs) to monitor performance.
- 4.2. A Committee member suggested that it would be useful to keep Trading Parties informed of upcoming changes as a result of the measures to allow them to shift resources where needed. The plan is to replicate the implementation information used in the Bilats programme.
- 4.3. The Code Change Committee:
- **NOTED** the MPF briefing.

5. Change Plan – CPW142 Wholesaler Smart Meter Reads

- 5.1 The Code Change Committee considered the plan for CPW142 '[Wholesaler Smart Meter Reads](#)'. This change sought to make wholesalers responsible for submitting settlement affecting reads directly into CMOS if obtained from a smart meter.
- 5.2 The Committee supported the assessment of the change; there were some areas of clarification and comment on the timelines proposed. Costs to Trading Parties will be looked at along with meter readings and the savings and accuracy of billing for customers; the focus will be on the accuracy of settlements.
- 5.3 On costings, a committee member wanted clarity on the CMOS impact; this needs to be approved as early as possible and HC confirmed that this will be considered in the paper.
- 5.4 A committee member raised a concern that, at this early stage prior to the change being fully assessed, costings were not fully reflected in the paper and wondered if there is a possibility that customer behaviour is likely to change and savings may arise. The committee member

wondered what impact the rise in numbers of smart meters will have on the role of retailers and the cost of reading non-smart meters.

- 5.5 The scope of the change was queried. JD explained that this change related to the processing of reads from smart meters using the existing portfolio as a base. It was recognised and anticipated that the volume of smart meters would grow over time and that this change was a step on the route to a smarter future. The change would not be looking at adjustments to settlement processing (e.g. fewer settlement runs or shorter settlement periods) which was a separate piece of work.
- 5.6 From a customer perspective, a Committee Member felt that customers need to receive the benefits of increased meter reads to help drive water efficiency.
- 5.7 The timetable indicated implementation in December 2024; the Committee acknowledged and agreed that the change should be advised by the Metering Committee (and not a Working Group) and that it warranted consultation. The Committee noted that additional Metering Committee meetings may be needed and understood the issue surrounding the timetable of planned consultations. However, because of the long lead-time to implementation, the Committee asked MOSL to look at options for bringing the implementation date forward.
- 5.3 The Code Change Committee:
- **AGREED** (unanimous) to progress to assessment and consultation;
 - **DEFERRED** (unanimous) a decision on the proposed Change Proposal Plan subject to a review of the proposed timetable; and
 - **AGREED** (unanimous) to reassess a revised timetable at the next Code Change Committee meeting.

6. Settlement Parity Update

- 6.1 The Code Change Committee received an update on Settlement Parity from ML. This had been raised as an area for investigation by the Panel. Settlement Charges are calculated monthly at present. There are concerns about there being no common standard of tariff, the lack of granular data constraining innovation and the lack of consistency of approach. There are also concerns about usage data, particularly where there is no smart meter. ML outlined the issues for customers and Trading Parties and what could support accurate settlement (technology, reads – holistic reporting, MPF, Settlement Parity and Central Data Cleanse, and the RWG's work in its Settlement subgroup, supported by MOSL).

- 6.2 As granular consumption data becomes available, there will be increasing opportunities to develop innovative tariffs (e.g. rising block or off peak usage). In the meantime, there is work to be done around long unread meters via the Strategic Meter Review as well as the Central Cleanse Programme providing accurate premises data to assist in locating meters. MOSL is working with the RWG and considering the need to define a Settlement Strategy in light of the impact of smart metering rollout on customer bills and settlement.
- 6.3 There may be quick wins from the RWG Settlement Subgroup and also through the Settlement Strategy, hopefully within the next six months, probably in the form of a Best Practice Guide or a change to the code.
- 6.4 The Code Change Committee:
- **NOTED** the Settlement Parity Update

7. AOB

- 7.1 There was no AOB for discussion.

CLOSED SESSION:

8. Committee Reflections

- 8.1 The committee shared their learning from other market governance committees and group they were involved in and reflected on the meeting.