

## Key decisions and outcomes

- The Workgroup (WG) reviewed the past materials from P332, including the Interim Report, RFI, data request and Ofgem correspondence.
- The WG noted that P332 had been paused due to the potential impact of Ofgem's Significant Code Review (SCR) on Settlement Reform. As a consequence of this SCR and the concentration of Customer Preferred Agents (CPAs), the WG consensus was that it made sense to focus P332 on the non-DCC Metering Systems (Measurement Class C, E and G).
- The Proposer provided his latest thinking on P332:
  - There is a point of principle (that CPAs undermine the original intent of the Supplier Hub model, where it was assumed Suppliers would appoint Agents that they have a contract with) that should be addressed under P332. However, if the cost of addressing the principle was disproportionate to the benefits then an alternative solution should be sought.
    - The more CPAs in the market, the more important to address the principle.
  - Supplier's should not be subject to SP08 (% Actuals) Supplier Charges where those charges are as a result of Agents with whom the Supplier does not have a contract (i.e. is not paying).
  - Complete re-write of BSC probably not the right solution.
    - One possible solution that avoids this would be to use a side-letter linked to accreditation to obliging agents to comply with the requirements in the BSC
  - An alternative is simplifying and reducing the scope of the original solution for P332 to reduce costs and implementation timescales. There are two potential ways forward:
    - Concentrate on Meter Operator Agents (MOAs) – this reduces scope and focusses on those Agents with the most CPAs and where Proposer seeing most CPA related issues.
    - Require Agents not to discriminate between Suppliers/contracts and to prioritise resolutions/request based on volume of energy associated with site.
- Various suppliers present agreed that the problem should not be limited to MOAs.
- ELEXON provided an update to the WG on the PAF Review and the operational PAF activities. The WG consensus was not to wait for the PAF Review to progress further as it was not seeking to address CPAs and its recommendations were not known.
- ELEXON presented to the WG how Suppliers are performing in Measurement Class C, E and G. The WG agreed with ELEXON's observations – graphs are inconclusive, Measurement Class C is the most mature sector for CPAs and the spread of Supplier performance is the most tight in this Measurement Class (+/- 0.5%). It was pointed out that significant interventions are required to get the performance to the level reported and this is indicative of some of the issues with supplier/agent/customer relationship.
- One WG member noted that much discussion focussed on CPAs but that the title of the Mod does not reflect a 'CPA-only' problem/solution. Some suppliers agreed that even under commercial terms there are issues, for example where involvement of a previous agent is required.
- There was some discussion as to the role of Performance Assurance in holding agents to account for performance. The Chair noted that PAB had seen 2 agent escalations recently, confirming that PAB can take action. However it was not clear whether this was in respect of a legal obligation on the agent or whether they had volunteered.
- The WG noted Ofgem had, to date, not seen sufficient evidence to show that the issues identified by the proposer could not be addressed under the current arrangements and that Ofgem welcomed evidence of the benefits and costs in light of the narrowed scope as part of the workgroup process.
- The WG discussed what evidence should be gathered to demonstrate that CPAs are affecting Settlement and how this could be quantified. The WG agreed to a two stage approach:
  - Stage 1: The WG (Agents and Suppliers) agreed to provide case studies of where CPAs have affected Settlement. This will be presented back to the WG to identify whether there are certain areas that should be targeted to gather further evidence.

- The WG considered asking for data in relation to late fault resolutions and late appointments, but decided to assess this in stage 2.
- Stage 2: Ask more targeted questions based on the case studies from stage 1. This could take the form of a sample audit chosen by ELEXON.

#### **What should WG Members provide?**

- WG members should provide examples of where CPAs have been the cause or a significant contributing factor in issues resulting in BSC underperformance.
- Examples should be those that you believe are the most common or significant issues caused by CPAs.
- We suggest limiting the examples to as few as possible to demonstrate the top 3 issues faced.
- Examples in Measurement Class C, E and G should be provided, where possible.
- Please be prepared for clarifications and further requests from ELEXON.
- Elexon to consider whether a form of side-letter linked to accreditation could give legal force to the BSC requirements on agents