



# Retail Energy Code (REC) Charging Statement

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## **1. REC CHARGING PRINCIPLES: OVERVIEW**

- 1.1. REC Clause 9 (Annual Budget and Cost Recovery) describes the REC Board obligation to establish and agree an annual budget. It also sets out the process for recovery of costs incurred pursuant to the REC and the agreed budget.
- 1.2. REC Clause 10 (Charges Dependent on Usage) sets out obligations on the REC Board to develop a Charging Methodology. This is published as REC Schedule 10: Charging Methodology.
- 1.3. Clause 10 also requires the REC Board to, from time to time (including on first publication of, and each subsequent amendment to, the REC Charging Methodology), determine the REC Charging Statement, and publish that statement on the REC Portal. The REC Board shall determine the REC Charging Statement by applying the REC Charging Methodology.
- 1.4. Any Performance Charges which are developed by the Performance Assurance Board are not designed to recover the cost of RECCo undertaking its normal business and are therefore not within the scope of this Charging Statement.

## **2. REC CLAUSE 9: ANNUAL BUDGET AND COST RECOVERY**

- 2.1. Clause 9 requires the REC Board to develop an annual budget on a bottom-up basis. The REC Board is required to consult with Parties. Parties can appeal one or more budget cost items to the Authority (Ofgem). Once approved, RECCo can recover all costs incurred pursuant to the REC and the approved budget.
- 2.2. Clause 9.14 sets out the formula for recovery of approved budget costs from Energy Suppliers. With the exception of 1/3rd of Electricity Enquiry Services (EES) (formerly Electricity Central Online Enquiry Service “ECOES”) costs which are recoverable from Distribution Network Operators and any costs recovered through charges dependent on usage, all other costs are recoverable from Energy Suppliers in proportion to their market share, as calculated by the average number of Registrable Measurement Points (RMPs) for which the Energy Supplier was the Registered Supplier on the 15th day of each month of the Financial Year as a proportion of the average number of RMPs across all Registered Suppliers that existed on the 15th day of the month.

## **3. REC SCHEDULE 10 CHARGING METHODOLOGY**

- 3.1. The REC Charging Methodology sets out the basis on which RECCo will apply discrete charges to relevant REC Service Users or other relevant parties, where it reasonably considers that such a charge would better facilitate the objectives set out in Clause 10.3 of the main body of the REC. Any RECCo costs that are not recovered directly through usage-based charges pursuant to the Charging Methodology will be recovered in accordance with Clause 9 of the REC.
- 3.2. The REC Charging Methodology will apply to the REC Services referenced below, and in accordance with the decision of the Authority that charges for those services should as far as practicable be a continuation of the arrangements immediately prior to the Retail Code Consolidation date, until such time as they may be subject to a change.

3.3. The Charging Methodology applies to the following REC Services:

- Electricity Enquiry Service (EES);
- Gas Enquiry Service (GES);
- Metering Accreditation and Audit;
- Secure Data Exchange Service (SDES); and
- Energy Theft Tip-Off Service (ETTOS).

3.4. For the avoidance of doubt, the Theft Detection Incentive Scheme, the Market Stabilisation Charge and Prepayment Method Levelisation Reconciliation schemes are out of scope of this Charging Statement.

3.5. REC Schedule 12: Data Access section 13 allows for the provision of Additional Services to Enquiry Services Users and the charging approach for those Additional Services.

#### 4. REC CLAUSE 9 CHARGES

4.1. Table 1 sets out the charges that will be recovered from Energy Suppliers and Distribution Network Operators, other than for charges dependent on usage.

Table 1: Charges for Energy Suppliers and Distribution Network Operators, other than Charges Dependent on usage

	Charge	Notes
Energy Suppliers	£0.834 per RMP per annum	Costs are recovered quarterly in advance.  Annual RMP charge is allocated evenly across each quarter.
Energy Suppliers – MHHS Project Charges	£0.064 per RMP per annum	Costs are recovered quarterly in advance.  Annual RMP charge is allocated evenly across each quarter.
Distribution Network Operators: who have less than 750,000 Metering Points registered on their network	£0.02 per RMP per annum	Each DNO shall be obliged to pay towards the costs incurred by RECCo for the provision of the EES in accordance with the most recent approved RECCo budget.  Costs are recovered quarterly in advance.  Annual RMP charge is allocated evenly across each quarter.  From 01 September 2022, DNOs are responsible for funding 1/3 <sup>rd</sup> of the cost of the Electricity Enquiry Service. Charges are calculated in accordance with the formulae as set out in REC Schedule 10 Charging Methodology, Section 3.2.
Distribution Network Operators: who have more than 750,000 Metering Points registered on their network	£42,000 per Distribution Network Operator per annum	Costs are recovered quarterly in advance.  Annual charge is allocated evenly across each quarter.  Charges are calculated in accordance with the formulae asset out in REC Schedule 10 Charging Methodology, Section 3.3.

## **5. CHARGES DEPENDENT ON USAGE**

- 5.1. All invoices issued by RECCo for charges payable in arrears shall be due for payment within thirty (30) calendar days of the date of the invoice (“Due Date”) unless otherwise agreed in writing with RECCo.
- 5.2. All charges which are due before the commencement of a service must be paid to RECCo before the service will be activated.
- 5.3. Quarterly invoices will be produced in January, April, July, and October of each year.
- 5.4. The charges set out in this Charging Statement are exclusive of VAT. The charges shall be subject to VAT at the prevailing rate.

## **6. ELECTRICITY ENQUIRY SERVICE (EES) CHARGES**

### **6.1. EES API ACCESS MANAGEMENT CHARGES**

- a. For each new Enquiry Service Users or User Category, as defined in Schedule 12: Data Access, RECCo will consider whether to apply service charges. Where RECCo, in its absolute discretion considers service charges to be applicable to the applicant, it will apply charges in accordance with the principles set out in Schedule 12: Data Access Section 13 Additional Services.
- b. Service charges 1 and 2 as set out in Table 2 below apply to all EES API Users.
- c. The Access Agreement signed by the EES API applicant will reference which charges are payable. The Access Agreement will need to be signed prior to their EES connection being approved.
- d. Where an API is initiated partway through a calendar quarter, RECCo will invoice for the costs of that quarter in the next quarter’s billing run.
- e. RECCo reserves the right to vary the service charges described in Table 2 below. Where an amendment is proposed, RECCo shall provide the EES User with a minimum of twenty (20) Working Days’ notice prior to that amendment having effect.
- f. Where a EES User does not agree to the proposed variation in the EES service charge, the EES User or RECCo may terminate the Access Agreement in accordance with the terms set out in that agreement.

Table 2: Management Charges for EES API access

Service	Charges	Payable
1. Audit or security investigation costs where non-conformance identified	Reimbursement of reasonable audit costs incurred by RECCo	Invoiced, on completion
2. Cost of corrective actions undertaken by RECCo	Reimbursement of any reasonable costs incurred by RECCo, for each event that leads to the need for such corrective actions to be undertaken unless otherwise specified in an individual Access Agreement	Invoiced, on completion

**6.2. EES API USAGE CHARGES**

- a. The charges in Table 3 apply to Third Party Intermediaries, Third Party Intermediary Service Providers, Alt HAN Company, the Microgeneration Certification Scheme Service Company and other non-REC Parties who RECCo decide should be liable for such charges.
- b. For each new Enquiry Service User or User Category, as defined in Schedule 12: Data Access, RECCo will consider whether to apply EES API Usage Charge. Where RECCo, in its absolute discretion considers EES API Usage Charge to be applicable to the applicant, it apply the EES API Usage Charge set out below. RECCo will also apply any other charges which it incurs because of access being granted in accordance with the principles set out in Schedule 12: Data Access Section 13 Additional Services.
- c. Where applicable, an EES User shall pay EES API Usage Charge associated with the plan it has agreed with RECCo in its Access Agreement or any Amendment Agreement thereto. The charge, and allowable annual search volumes, for each plan as well as the discounted rates for any Additional Plan purchased is set out in Table 3 below.

Table 3: EES API Usage Charge and Annual Search Volumes by Plan size

Plan	Annual Price, payable by four (4) equal instalments in advance	Annual Searches	Additional Plan Charge
A	£1,200	60,000	£875
B	£2,000	600,000	£1,675
C	£6,000	3,600,000	£5,675
D	£12,000	7,200,000	£11,675
E	£20,000	12,000,000	£19,675
F	£30,000	18,000,000	£29,675

- d. Where an EES User has, at a point during the year (measured 17 July – 16 July), exceeded the allowed annual volume of searches applicable for their Plan, as set out in Table 3, the EES User is required to purchase a further plan at the applicable Additional Plan Charge rate set out in Table 3. A failure to purchase an Additional Plan may result in access to the EES being removed.
- e. Any additional searches purchased through this Additional Plan option must be used by the end of the year e.g. by close on 16 July. Any unused searches cannot be carried forward to the next year.

### 6.3. EES ONLINE PORTAL

- a. There are no charges for use of this service.

### 6.4. EES ADDITIONAL SERVICES

- a. Bespoke Reporting charges, as described in Table 4 below, are applicable to any EES User that requires an Additional Service as described in Schedule 12: Data Access.

Table 4: EES Additional Charges

Service	Charges	Payable
3. Bespoke Reporting	Costs quoted and agreed in advance, determined by individual client requirements	As per agreed terms

## 7. GAS ENQUIRY SERVICE (GES) CHARGES

### 7.1. GES API ACCESS MANAGEMENT CHARGES

- a. For each new Enquiry Service User or User Category, as defined in Schedule 12: Data Access, RECCo will consider whether to apply service charges. Where RECCo, in its absolute discretion considers service charges to be applicable to the applicant, it will apply charges in accordance with the principles set out in Schedule 12: Data Access Section 13 Additional Services.
- b. Service charges 1 and 2 as set out in Table 5 below will apply to all GES API Users where applicable.
- c. The Access Agreement signed by the GES API applicant will reference which charges are payable. The Access Agreement will need to be signed prior to the GES connection being approved.
- d. Where an API is initiated partway through a calendar quarter, RECCo will invoice for the costs of that quarter in the next quarter's billing run.
- e. RECCo reserves the right to vary the service charges described in Table 5 below. Where an amendment is proposed, RECCo shall provide the GES User with a minimum of twenty (20) Working Days' notice prior to that amendment having effect.
- f. Where a GES User does not agree to the proposed variation in the GES service charge, the GES User or RECCo may terminate the Access Agreement in accordance with the terms set out in that agreement.

Table 5: Management Charges for GES API access

Service	Charges	Payable
1. Audit or security investigation costs where non- conformance identified	Reimbursement of reasonable audit costs incurred by RECCo	Invoiced, on completion
2. Cost of corrective actions undertaken by RECCo	Reimbursement of any reasonable costs incurred by RECCo, for each event that leads to the need for such corrective actions to be undertaken unless otherwise specified in individual Access Agreement	Invoiced, on completion



## 7.2. GES API USAGE CHARGES

- a. The charges set out in Table 6 apply to Third Party Intermediaries (TPIs) and Third Party Intermediary Service Providers and other non-REC Parties who RECCo decide should be liable for such charges.
- b. For each new Enquiry Service Users or User Category, as defined in Schedule 12: Data Access, RECCo will consider whether to apply GES API Usage Charges. Where RECCo, in its absolute discretion considers GES API Usage Charges to be applicable to the applicant, it apply the GES API Usage Charges set out below. RECCo will also apply any other charges which it incurs because of access being granted in accordance with the principles set out in Schedule 12: Data Access Section 13 Additional Services.
- c. No GES API Usage charges apply to Meter Asset Providers (MAPs) or Shippers.
- d. Where applicable, a GES User shall pay GES API Usage Charges associated with the plan it has agreed with RECCo in its Access Agreement or any Amendment Agreement thereto. The charge, and allowable annual search volumes, for each plan as well as the discounted rates for any Additional Plan purchased is set out in Table 6 below.

Table 6: GES API Usage Charges and Annual Search Volumes by Plan size for Supply Point Switching API

Plan	Annual Price, payable by four (4) equal instalments in advance	Annual Searches	Additional Plan Charge
A	£1,200	60,000	£875
B	£2,000	600,000	£1,675
C	£6,000	3,600,000	£5,675
D	£12,000	7,200,000	£11,675
E	£20,000	12,000,000	£19,675
F	£30,000	18,000,000	£29,675

- e. Where a GES User has at a point during the year (measured 17 July – 16 July), exceeded the allowed annual volume of searches on a cumulative basis set out in its Plan, as set out in Table 6, the GES User is required to purchase a further plan at the applicable Additional Plan Charge rate set out in Table 6. A failure to purchase an Additional Plan may result in access to the GES being removal.
- f. Any additional searches purchased through this Additional Plan option must be used by the end of the year e.g. by close on 16 July. Any unused searches cannot be carried forward to the next year.

## 7.3. GES PORTAL ONLINE ACCESS USAGE CHARGES

- a. There are no charges for use of this service.

#### 7.4. GES STANDARD REPORTS

- a. The following GES standard reports are available for the following categories of GES User.
- b. RECCo reserves the right to vary the service charge described in Table 7 below. Where an amendment is proposed, RECCo shall provide the EES User with a minimum of twenty (20) Working Days' notice prior to that amendment having effect.
- c. Where a GES User does not agree to the proposed variation in the GES service charge, the GES User or RECCo may terminate the Access Agreement in accordance with the terms set out in that agreement.
- d. Where any other parties (not listed below) are granted access RECCo will apply charges accordingly.

Table 7: GES Standard Report charges

Report	Report Frequency	Charge
Housing Association	Ad-hoc	<b>£850 per instance</b>
Portfolio Data (MEM)	Monthly	£1,522 per annum
	Annually	£1,262 per annum
	Ad-Hoc	£1,262 per instance
Portfolio Data (MAP)	Monthly	£27,480 per annum
Supplier Registration Report (MEM)	Monthly	£1,957 per annum
	Annually	£1,297 per annum
	Ad-Hoc	£1,297 per instance
Supplier Registration Report (MAP)	Monthly	£2,044 per annum
	Annually	£832 per annum
	Ad-Hoc	£832 per instance
Supplier Registration Report (PPMIP)	One Off	£10,144 per annum
Alt Han Report (Alt Han Co)	Quarterly	£2,750 per annum
SoLR Portfolio Report	Ad-Hoc	<b>£1,113 per instance</b>

## 8. METERING AUDIT FEES

### 8.1. METER AUDIT FEE CHARGING ARRANGEMENTS

- a. The Meter Audit Fees set out in Table 8 will be charged directly from the RECCo appointed Meter Auditor (Wilcock Consulting Ltd) to the metering organisation. Meter audit fees are payable prior to the commencement of any meter audit work.
- b. The frequency of meter audits is set out in the REC Metering Guide which is available on the REC Portal.
- c. Where emergency and / or priority field visits are required, the RECCo Meter Auditor will charge based on agreed day rates. These rates are commercially confidential and therefore not disclosed in this Charging Statement. The RECCo Meter Auditor will confirm the day rates to the meter organisation in advance.

Table 8: Meter Audit Fees

<b>Audit Report</b>	<b>Charge</b>
Gas Meter Installer Initial Accreditation Audit	£1,762.50
Gas Meter Installer Renewal Audit	£2,420.00
Gas Meter Equipment Manager Initial Accreditation Audit	£1,762.50
Gas Meter Equipment Manager Renewal Audit	£2,420.00
Gas AMR Service Provider Initial Accreditation Audit	£1,762.50
Gas AMR Service Provider Renewal Audit	£2,465.00
Electricity Meter Equipment Manager Initial Accreditation Audit	£1,762.50
Electricity Meter Equipment Manager Renewal Audit	£2,495.00
Smart Meter Initial Audit	£2,495.00
Expenses recharged at:	Cost

- d. Where multiple audits are conducted concurrently, the discount factor as shown in Table 9 will apply to the relevant audit charges shown in Table 8.

Table 9: Multiple Meter Audit Fees Discount Factors

<b>Number of concurrent audits</b>	<b>Discount Factor</b>
2 concurrent audits	20%
3 concurrent audits	25%
4 concurrent audits	30%

## 9. SECURE DATA EXCHANGE SERVICE

- a. The costs of operating and maintaining the Secure Data Exchange Portal shall be recovered from Suppliers in accordance with REC Clause 9. However, RECCo reserves the right to charge a user the reasonable costs associated with any investigation or audit that may be undertaken to investigate any potential misuse.

## 10. CENTRAL SWITCHING SERVICE (CSS)

- a. The costs of the CSS will, except for costs recovered through application and yearly assurance charges for CSS Infrastructure Providers, be recovered from Suppliers in accordance with REC Clause 9 from April 2023.
- b. CSS Interface Providers (CIPs), are Qualified under the REC and are required to undergo an Information Security and Data Protection Assessment every year, with the Code Manager determining the depth of assessment based on risks associated with the organisation's access to data.
- c. Periodic assurance charges for CSS Infrastructure Providers are set out in Table 10 below. The types of assessment, and the circumstances when they become due, are described in the table below with further information provided in the REC Service User Categorisation and Assessment Document.

Table 10: CSS Infrastructure Provider assessment charges

Activity	Charge	Payable
Full external assessment	£12,400	<p>First payable on application and then every fourth year thereafter for Parties that have not undergone equivalent SEC user assurance.</p> <p>The CSS Infrastructure Provider will be invoiced in advance of the activity and the activity will not be carried out until the invoice has been paid.</p>
Verification external assessment	£6,200	<p>First payable on application and then every fourth year thereafter for parties that have undergone SEC user assurance equivalent to the Full external assessment.</p> <p>Payable in years 2 and 3 for parties that have not undergone equivalent SEC user assurance to the Full external assessment.</p> <p>The CSS Infrastructure Provider will be invoiced in advance of the activity and the activity will not be carried out until the invoice has been paid.</p>

## **11. LATE PAYMENT INTEREST**

- a. RECCo may, without prejudice to any other right or remedy, charge and the customer shall pay interest on any payment not duly made in accordance with the REC credit terms. Interest shall be calculated from day to day at an annual rate equal to the Default Interest Rate from the day after the date on which payment was due up to and including the date of payment, together with an administration charge as notified by RECCo to the parties from time to time.