

By email only: FWP@ofgem.gov.uk

10 February 2025

RECCo response to: Ofgem Forward Work Plan 2025/26

We welcome the opportunity to respond to this consultation. Our non-confidential response represents the views of the Retail Energy Code Company Ltd (RECCo) and is based on our role as managing the Retail Energy Code (REC) which governs the Retail Energy Market.

RECCo is a not-for-profit, corporate vehicle ensuring the proper, effective, and efficient implementation and ongoing management of the REC arrangements. We seek to promote trust, innovation and competition, whilst maintaining focus on positive consumer outcomes. Through the REC, the services we manage, and the programmes we run, we are dedicated to building a more effective and efficient energy market for the future. We are committed to ensuring that RECCo is an *"intelligent customer"*, ensuring efficacy and value-for-money of the services we procure and manage on behalf of REC Parties, including those which constitute the REC Code Manager.

Overall, we are supportive of the draft Forward Work Plan (FWP) and pleased to see the continued focus on consumer interest. We wholly agree that shaping a retail market that works for consumers should be a priority for Ofgem and we also welcome the attention on debt and affordability.

To develop a more holistic view of Ofgem's Strategic Priorities, it is essential to better understand and articulate how each priority interrelates, and the broader system-wide implications of the changes needed to achieve Clean Power 2030. Currently, the priorities may seem somewhat isolated, and a clearer articulation of their interdependencies would help stakeholders understand how actions in one area will influence others. This could significantly strengthen the effectiveness of Ofgem's approach. A whole-system view requires clear, actionable pathways that outline how each priority contributes to the overall goal of Clean Power 2030. This includes measurable targets, timelines, and clear accountability. These pathways should show the potential consequences of not addressing one priority or misalignments between priorities (e.g., if investment in infrastructure lags behind renewable energy deployment, this could undermine grid reliability and delay the clean transition).

Ofgem could also provide greater perspective to how its Strategic Priorities impact consumers and therefore, how the retail market must adapt. Consumer engagement with decarbonisation will play a significant role in the success of achieving the UK's net zero ambitions. It is vital that there are clear pathways to achieving these. We would recommend that Ofgem explicitly maps how each Strategic Priority interrelates and provides greater clarity on the impacts and requirements on consumers and the retail market. In particular, we see benefit in the greater articulation of:

- how infrastructure investment for Clean Power 2030 could reshape the retail market and how the retail market must adapt to the strategic goals;
- set clear pathways for the retail market to align with decarbonisation goals while maintaining fair pricing structures;
- assessing the impact of decarbonisation on affordability and consumer debt;

- carry out detailed assessment of how Clean Power 2030 will affect consumer choice and model potential cost impacts for consumers; and
- explore measures to mitigate short-term disruptions

To aid this, we would suggest that Ofgem considers:

- the inclusion of scenario-based planning to explore the different pathways to Clean Power 2030 and how they could affect the retail market and consumers;
- consider greater consumer engagement so that policies and market adaptations are informed by real-world concerns and needs; and
- the incorporation of measurable outcomes for each Strategic Priority to track progress and demonstrate effectiveness of its actions.

By weaving together Ofgem's Strategic Priorities in a way that highlights interdependencies, provides a whole-system view, and considers the broader societal impacts, Ofgem can offer a much clearer and more effective pathway toward achieving Clean Power 2030. Articulating these connections in a detailed and accessible way would not only assist the energy industry but would also inspire confidence among stakeholders, ensuring a smoother and more collaborative transition to a low-carbon energy future.

We are pleased to note that there are a number of areas where RECCo initiatives, as set out in our Draft Forward Work Plan 2025/28¹, overlap with Ofgem's FWP and we set these out below. These touch points will become even clearer as once the preliminary Strategic Direction Statement is finalised and Ofgem sets out its expectations of RECCo and the other industry code bodies. We welcome greater engagement to ensure we are achieving the right outcomes for consumers and the retail energy industry.

Strategic Priority 1: Shaping a retail market that works for consumers

Regulating pricing, debt and affordability in the domestic market remains a key issue for consumers who continue to see price increases in the near term, despite a reduction in wholesale energy prices from the historic highs we have seen in recent times. As the investment in energy infrastructure required to achieve net zero targets will increase costs to consumers, we believe more should be done to shield vulnerable consumers and those who already struggle with affordability. Redistributing costs in a fair and equitable manner should be central to any solutions Ofgem or the Government take forward.

Strategic Priority 2: Enabling infrastructure for net zero at pace

We agree this should be a key focus area for Ofgem and imperative if Ofgem is to achieve the ambitions of Clean Power 2030. We are pleased to note that Ofgem plans to expand the scope, scale and sophistication of cyber security resilience.

Strategic Priority 3: Establishing an efficient, fair and flexible energy system

We support Ofgem's ambition to reform the retail market in alignment with the Clean Power 2030 targets for flexible demand. Achieving these targets will require changes that enable stronger consumer propositions and improved incentives, driving meaningful consumer engagement in the UK's decarbonisation transition. Without this engagement, these ambitions will be difficult to realise.

¹ See: [RECCo-Draft-Forward-Work-Plan-2025-28.pdf](#)

To support this, we would welcome a clearer articulation of Ofgem's strategy, detailing how its planned steps will impact the retail market and consumers. Greater clarity on the role of consumer engagement and the necessary evolution of the retail sector will help provide direction and drive the required changes.

We recognise the growing role of third-party intermediaries (TPIs) and new market entrants in engaging consumers in demand-side response activities. To enhance standards in the TPI market, RECCo introduced a Code of Practice (CoP) in October 2023, holding TPIs accountable to Best Practice Principles. Initially launched as a voluntary scheme, we have since raised a Change Proposal (R0137) to transition it into a mandatory requirement, ensuring non-domestic suppliers work only with accredited TPIs. We similarly welcome Ofgem's decision to license and regulate aggregators and remote load controllers from 2026.

While we await further details on direct regulation and its implementation, we believe continuous improvements in standards remain essential. Notably, while some new market entrants may be governed by technical or qualification requirements, others will operate outside formal regulation. We see an opportunity for the REC to support these entities by establishing appropriate standards to safeguard consumer interests.

Additionally, we support Ofgem's ambition to collaborate with consumer groups to facilitate informed and consensual data sharing. Enabling consumers to share energy usage data with trusted firms has the potential to drive innovation in tariffs and products, ultimately delivering greater consumer benefits.

Our Data & Digitalisation Strategy underpins our commitment to supporting broader energy market initiatives, including the transition to Net Zero, while ensuring consumers remain central to the process. We were pleased that Ofgem proposed RECCo as the Governance and Delivery Body for the Consumer Consent mechanism and keenly await the final determination. This initiative will be essential in ensuring consumers benefit from Net Zero by giving them greater control over how their energy data is accessed and used. We will continue to work closely with Ofgem and look forward to a final decision that we hope will formally designate RECCo for this critical role.

Additionally, the REC has been identified as the potential host for the enduring governance of the Tariff Data Interoperability standard under the Department for Energy Security and Net Zero's Smart Secure Electricity Systems programme. This initiative aims to create the technical and regulatory frameworks necessary to unlock flexibility from small-scale devices such as domestic EV charge points and heat pumps. As part of this programme, energy suppliers will be required to comply with a tariff data standard, ensuring that energy-smart appliances can seamlessly receive and respond to tariff information from different suppliers. This work aligns strongly with the development of the Consumer Consent mechanism, reinforcing Ofgem's goal of increasing consumer engagement in flexibility.

We welcome the opportunity to support Ofgem in shaping its Forward Work Plan and are happy to expand on the observations outlined in this response.

Yours sincerely,

Jon Dixon
Director, Strategy and Development