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# Market Exit and Supplier of Last Resort

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**SCHEDULE 19**

**Market Exit and Supplier of Last Resort**

Version: 3.1

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<a href="#">Domestic Suppliers</a>	<a href="#">Mandatory</a>
<a href="#">Non-Domestic Suppliers</a>	<a href="#">Mandatory</a>
<a href="#">Gas Transporters</a>	<a href="#">Mandatory</a>
<a href="#">Distribution Network Operators</a>	<a href="#">Mandatory</a>
<a href="#">DCC</a>	<a href="#">Mandatory</a>
<a href="#">Metering Equipment Managers</a>	<a href="#">Mandatory</a>
<a href="#">Non-Party REC Service Users</a>	<a href="#">Mandatory</a>

*Change History*

Version Number	Implementation Date	Reason for Change
0.1	N/A	Version for Summer 2020 publication
0.2	N/A	Version for December 2020 consultation
2.0	1 September 2021	Incorporating Consultation Responses
3.0	18 July 2022	Switching SCR Modification R0041
3.1	4 November 2022	R0036
<a href="#">MHHS V0.1</a>	<a href="#">N/A</a>	<a href="#">MHHS required changes: Draft for industry review</a>
<a href="#">MHHS V0.2</a>	<a href="#">N/A</a>	<a href="#">MHHS required changes: Draft updated post industry consultation (change to info in comments only)</a>
<a href="#">MHHS V0.3</a>	<a href="#">N/A</a>	<a href="#">Version Uplifted following CCAG Approval</a>

## 1 Introduction

- 1.1. This [REC Schedule](#) sets out the process with which a [Party](#) or [Non-Party REC Service User](#) must comply to enable an orderly exit from this [Code](#).
- 1.2. This includes:
  - (a) expulsion from this [Code](#) following an [Event of Default](#);
  - (b) considerations for [Parties](#) and [Non-Party REC Service Users](#) seeking to exit the [Code](#) voluntarily; and
  - (c) management of [Supplier of Last Resort \(SoLR\) Process](#) to facilitate the transfer of [Registrations](#) from the failed [Energy Supplier](#) to the [Replacement Supplier](#).
- 1.3. This [REC Schedule](#) must be read in conjunction with Clauses 16 and 17 of the [main body](#) of this [Code](#) which describe the instances where [Parties](#) may be expelled from the [Code](#).

## 2 Expulsion of [Parties](#)

- 2.1. As set out in Clause 17 of the [main body](#) of this [Code](#), a [Party](#) that holds an [Energy Licence](#) that requires it to be a party to this [Code](#) cannot be expelled from this [Code](#) unless the [Authority](#) has approved such expulsion.
- 2.2. Where a [Party](#) holds an [Energy Licence](#) that requires it to be a party to this [Code](#), the [REC Board](#) shall co-ordinate any proposed expulsion from this [Code](#) with any concurrent process under the other [Energy Codes](#) and/or any enforcement action by the [Authority](#).
- 2.3. Subject to Paragraphs 2.1 and 2.2, the [REC Board](#) may expel a [Party](#) from this [Code](#) by written notice to that [Party](#) where that [Party](#) is subject to an ongoing [Event of Default](#).
- 2.4. Where notice of expulsion is served on a [Party](#) pursuant to Paragraph 2.3, the [Code Manager](#) shall promptly confirm the expulsion (and the effective date of expulsion) to:

- (a) all the [Parties](#);
- (b) the code managers of any other [Energy Codes](#) to which the expelled [Party](#) is or was party;
- (c) the [CDSP](#), where the [Party](#) being expelled is a [Gas Supplier](#), [Gas Transporter](#) or gas [Metering Equipment Manager](#);
- (d) the [BSCCo](#) and the [DIP Manager](#), where the [Party](#) being expelled is an [Electricity Supplier](#), [Distribution Network Operator](#) or electricity [Metering Equipment Manager](#);
- (e) the [Switching Operator](#);
- (f) the [REC Service Providers](#) (if any) for which the expelled [Party](#) was formerly a [REC Service User](#); and
- (g) the [Authority](#).

**Commented [SJ1]:** Based on programme position that DIP Manager is a separate role to BSCCo. This notification allows the DIP Manager to remove access to the DIP

### 3 Voluntary Exit by [Parties](#)

- 3.1. Subject to Paragraph 3.3, each [Party](#) shall be entitled to initiate its own withdrawal from this [Code](#) by giving notice in writing (known as a [Withdrawal Notice](#)) to the [Code Manager](#).
- 3.2. The [Withdrawal Notice](#) shall specify the time and date on which the [Party](#) wishes to withdraw from this [Code](#) (known as the [Withdrawal Date](#)), being not less than 28 days after the date of the [Withdrawal Notice](#).
- 3.3. A [Party](#) may not withdraw from the [Code](#) if, as at 17.00 hours on the day which is two (2) [Working Days](#) prior to the [Withdrawal Date](#):
  - (a) any sums accrued and payable under the [Code](#) remain, in whole or in part, to be paid by such [Party](#), including sums in relation to [Disputes](#) or [Performance Charges](#);
  - (b) such [Party](#) holds an [Energy Licence](#) which requires it to be a [Party](#);
  - (c) where such [Party](#) is an [Energy Supplier](#), it continues to be the [Registered Supplier](#) in respect of any [RMPs](#);
  - (d) where such [Party](#) is a [Distribution Network Operator](#) or [Gas Transporter](#), one or more Operational [RMPs](#) continue to exist in respect of its network; and/or
  - (e) where such [Party](#) is a [Metering Equipment Manager](#), it continues to be [Appointed](#) in respect of one or more [RMPs](#).

3.4. Following receipt of a [Withdrawal Notice](#) from a [Party](#), the [Code Manager](#) shall check that the [Party](#) is eligible to withdraw, as described in Paragraph 3.3. Where the [Party](#) is eligible to withdraw, the [Code Manager](#) shall accept the [Withdrawal Notice](#) and promptly notify the organisations listed in Paragraph 2.4 of the withdrawing [Party](#)'s intention to withdraw from the [Code](#) on the agreed [Withdrawal Date](#).

~~3.5.~~ Where the withdrawing [Party](#) is a [REC Service User](#) for one or more [REC Services](#), the [Code Manager](#) shall notify the relevant [REC Service Provider](#)(s) of the withdrawing [Party](#)'s intention to withdraw from the [Code](#) on the agreed [Withdrawal Date](#).

~~3.5.A~~ Where the withdrawing [Party](#) is an [Electricity Supplier, Distribution Network Operator or Metering Equipment Manager](#), the [Code Manager](#) shall notify the [DIP Manager](#) of the withdrawing [Party](#)'s intention to withdraw from the [Code](#) on the agreed [Withdrawal Date](#).

~~3.5.3.6.~~ ~~Provided~~ the requirements of Paragraph 3.3 are satisfied, with effect from the [Withdrawal Date](#):

- (a) the withdrawing [Party](#) shall cease to be a [Party](#) in accordance with Clause 17 of the [main body](#) of this [Code](#); and
- (b) the withdrawing [Party](#) shall cease to be a [REC Service User](#) for the [REC Services](#) for which it was previously a [REC Service User](#).

~~3.6.3.7.~~ Where the requirements of Paragraph 3.3 are not satisfied in respect of a [Party](#), then that [Party](#) shall not withdraw from this [Code](#), and Paragraph 3.6 shall not apply. If the [Party](#) still wishes to withdraw, it must serve another [Withdrawal Notice](#) and the requirements of paragraph 3.3 will be reassessed.

~~3.7.3.8.~~ Where a [Party](#) withdraws from this [Code](#) in accordance with Paragraph 3.6, the [Code Manager](#) shall promptly confirm such withdrawal to the organisations listed in Paragraph 2.4.

#### 4 [Non-Party REC Service Users](#)

- 4.1. [REC Service Users](#) that are also [Parties](#) shall cease to be [REC Service Users](#) in accordance with Paragraph 2 or 3.
- 4.2. [Non-Party REC Service Users](#) shall be entitled to terminate their access to the relevant [REC Service](#) by providing notification to the [Code Manager](#) in accordance with their [Access Agreement](#).
- 4.3. The [Code Manager](#) shall ensure that any specific [REC Service](#) requirements have been met which enable the [Non-Party REC Service User](#) to withdraw, notify the relevant [REC Service Provider](#)(s) and ensure that access is withdrawn with effect from

**Commented [SJ2]:** Post consultation update to add comment box

Erroneous redlining as the numbering hasn't changed from current baseline

termination of the [Access Agreements](#).

- 4.4. The decision as to whether [RECCo](#) should serve notice to terminate a [Non-Party REC Service User's Access Agreement](#) shall be a matter for the [REC Board](#).

## 5 [Supplier of Last Resort Process](#)

- 5.1. This Paragraph 5 should be read in conjunction with the [Energy Supply Licences](#) which define the overall [SoLR Process](#).
- 5.2. Where a [Replacement Supplier](#) is appointed in respect of premises, they shall become, from the date and time set out in the [Last Resort Supply Direction](#):
- (a) responsible, for the supply of electricity and / or gas for the [RMP\(s\)](#) associated with those premises;
  - (b) responsible for all obligations assigned to the [Registered Supplier](#) or its [Supplier Agents](#) as set out within the [Code](#); and
  - (c) liable for all charges and benefits relating to the relevant [RMPs](#).
- 5.3. The [Replacement Supplier](#) shall provide to the [Code Manager](#) a plan for completing the following activities:
- (a) completing a [Switch](#) for all associated [RMPs](#), where this is required to enable the [Replacement Supplier](#) to fully onboard the impacted [Consumers](#) into its [Systems](#) and processes, following the initial transfer of responsibilities;
  - (b) the appointment of all relevant [Supplier Agents](#) in accordance with the [Metering Operations Schedule](#) and [BSC](#), as applicable; and
  - (c) the appointment of all relevant [Shippers](#) in accordance with the [UNC](#), for [Gas Suppliers](#) only.
- 5.4. For gas [RMPs](#), the plan described in Paragraph 5.3 shall align to the transfer rate proposed to the [Authority](#) prior to the [Last Resort Supply Direction](#) being made, where applicable.
- 5.5. The plan described in Paragraph 5.3 shall be provided to the [Code Manager](#) at least 5 [Working Days](#) prior to the commencement of the activities set out within Paragraph 5.3 and shall prioritise the transfer of [RMPs](#) associated with [Vulnerable Consumers](#).
- 5.6. The [Replacement Supplier](#) shall use reasonable endeavours to complete the requirements set out in Paragraph 5.3(a) to (c) as soon as possible after it has been provided with a [Last Resort Supply Direction](#) by the [Authority](#) and in any event within 3 months of the date that the [Last Resort Supply Direction](#) takes effect, or later date as agreed by the [REC Performance Assurance Board](#).



5.7. The [Code Manager](#) shall monitor each [Replacement Supplier](#) against the plan provided under Paragraph 5.3. Any concerns regarding the delivery of the plan shall be escalated to the [REC Performance Assurance Board](#) and / or the [Authority](#).



5.8. The electricity end-to-end [SoLR Process](#) shall reflect the interface table below:

Ref	When	Action	From	To	Interface	Means
5.8.1	At least 12 hours before the <a href="#">Last Resort Supply Direction</a> becomes effective.	The <a href="#">Authority</a> issues a <a href="#">Last Resort Supply Direction</a> to <a href="#">Replacement Supplier(s)</a> and informs relevant parties.	<a href="#">Authority</a>	<a href="#">Replacement Supplier(s)</a>  <a href="#">Code Manager</a> ;  <a href="#">BSCCo</a> ;  <a href="#">DIP Manager</a>  <a href="#">SMDSP</a> ;  <a href="#">DTN</a> Service Controller;  <a href="#">DNO</a> .	Not defined	Email
5.8.2	Following receipt of the notification in 5.8.1.	Amend the <a href="#">Energy Company</a> associated with the relevant Balancing Mechanism Units <a href="#">and DIP identifiers</a> in accordance with the <a href="#">BSC</a> .	<a href="#">BSCCo / DIP Manager</a>		Internal process	N/A
5.8.3	Following receipt of the notification in 5.8.1.	Amend the <a href="#">SEC</a> party identifier associated with the relevant <a href="#">MPIDs</a> in accordance with the <a href="#">SEC</a> .	<a href="#">SMDSP</a>		Internal process	N/A
5.8.4	Following receipt of	Amend the <a href="#">Energy</a>	<a href="#">DTN</a> Service		Internal process	N/A

	the notification in 5.8.1.	<a href="#">Company</a> associated with the relevant <a href="#">DTN</a> gateway in accordance with the <a href="#">DTSA</a> .	Controller			
5.8.5	As soon as reasonably practicable, following receipt of the notification in 5.8.1.	Raise a <a href="#">Switching Service Request</a> to give effect to the <a href="#">SoLR</a> event including revocation of the failed <a href="#">Energy Supplier's CSS</a> security credentials.	<a href="#">Code Manager</a>	<a href="#">Switching Operator</a>	SoLR Switching Service Request	<a href="#">Switching Portal</a>
5.8.6	Following receipt of the <a href="#">Switching Service Request</a> in 5.8.5 and before the <a href="#">Replacement Supplier</a> effective date.	Initiate revocation of the failed <a href="#">Energy Supplier's CSS</a> security credentials in accordance with the <a href="#">CSS Schedule</a> and terminate access to the <a href="#">Switching Portal</a> .	<a href="#">Switching Operator</a>		Internal Process	N/A
5.8.7	As soon as reasonably practicable, following receipt of the notification in 5.8.1.	Submit request to remove the failed <a href="#">Energy Supplier's</a> access to <a href="#">EES</a> , <a href="#">SDES</a> , <a href="#">GDCC</a> and <a href="#">ETTOS</a> .	<a href="#">Code Manager</a>	<a href="#">EES Provider</a> ; <a href="#">SDES Provider</a> ; <a href="#">GDCC Provider</a> ;	Not defined	N/A

				ETTOS Provider		
5.8.8	<a href="#">Replacement Supplier</a> effective date.	Failed <a href="#">Energy Supplier</a> 's licence is revoked.	<a href="#">Authority</a>		Internal process	N/A
5.8.9	At 00:00 hrs on the <a href="#">Replacement Supplier</a> effective date.	Notify changed <a href="#">Market Participant Role</a> and <a href="#">Energy Company</a> association.	<a href="#">Code Manager</a>	<a href="#">CSS Provider</a>	<a href="#">Market Participant Role</a>	CSS API
5.8.10	Following 5.8.9 where the message passes synchronous validation.	Amend <a href="#">Market Participant Role</a> association to the <a href="#">Replacement Supplier</a> .	<a href="#">CSS Provider</a>		Internal Process	N/A
5.8.11	Following 5.8.10.	Notify change to <a href="#">Market Participant Role</a> and <a href="#">Energy Company</a> association has been made.	<a href="#">Code Manager</a>	<a href="#">BSCCo</a> ;	Not defined	N/A
5.8.12	As soon as reasonably practicable following 5.8.1 and within 4 <a href="#">Working Days</a>	Send data in respect of all the <a href="#">Metering Points</a> for which the failed <a href="#">Energy Supplier</a> is Registered.  Data provided shall reflect	<a href="#">DNO</a>	<a href="#">Replacement Supplier</a>	Method of communication agreed between the relevant <a href="#">DNO</a> and <a href="#">Replacement Supplier</a>	N/A

		the data sent to the <a href="#">Authority</a> pursuant to Condition 6 of the <a href="#">Electricity Distribution Licences</a> .				
5.8.13	As soon as reasonably practicable following 5.8.1.	Provide a plan to the <a href="#">Code Manager</a> in line with Paragraphs 5.3 to 5.5	<a href="#">Replacement Supplier</a>	<a href="#">Code Manager</a>	Not defined	N/A
5.8.14	No later than 5 <a href="#">Working Days</a> after 5.8.14.	Initiate individual <a href="#">Switch</a> activities to transfer each <a href="#">Metering Point</a> to the <a href="#">Replacement Supplier's MPID(s)</a> .	<a href="#">Replacement Supplier</a>	<a href="#">CSS</a>	In accordance with the <a href="#">Registration Services Schedule</a>	N/A
5.8.15	As soon as reasonably practicable following 5.8.1, where the incumbent <a href="#">Metering Equipment Manager</a> is not being retained.	Appoint the <a href="#">Metering Equipment Manager</a> and update <a href="#">ERDS</a> in accordance with the <a href="#">Metering Operations Schedule</a>	<a href="#">Replacement Supplier</a>	<a href="#">MEM</a> <a href="#">ERDS</a>	In accordance with the <a href="#">Metering Operations Schedule</a>	N/A

5.9. The gas end-to-end [SoLR Process](#) shall reflect the interface table below:

Ref	When	Action	From	To	Interface	Means
5.9.1	At least 12 hours before the <a href="#">Last Resort Supply Direction</a> becomes effective.	The Authority issues a <a href="#">Last Resort Supply Direction</a> to <a href="#">Replacement Supplier(s)</a> and informs relevant parties.	<a href="#">Authority</a>	<a href="#">Replacement Supplier(s)</a>  <a href="#">Code Manager</a> ;  <a href="#">CDSP</a> ;  <a href="#">SMDSP</a> ;  <a href="#">DTN</a> Service Controller.	Not defined	Email
5.9.2	Following receipt of the notification in 5.9.1.	Initiate discussions with the relevant <a href="#">Gas Supplier</a> to facilitate activities required in accordance with the <a href="#">UNC</a> .	<a href="#">CDSP</a>		Internal process	N/A
5.9.3	Following receipt of the notification in 5.9.1.	Amend the <a href="#">SEC</a> party identifier associated with the relevant <a href="#">MPIDs</a> in accordance with the <a href="#">SEC</a> .	<a href="#">SMDSP</a>		Internal process	N/A
5.9.4	As soon as reasonably practicable, following receipt of the notification in 5.9.1.	Raise a <a href="#">Switching Service Request</a> to give effect to the <a href="#">SoLR Process</a> event including revocation of the failed <a href="#">Energy Supplier's CSS</a> security credentials.	<a href="#">Code Manager</a>	<a href="#">Switching Operator</a>	SoLR Switching Service Request	<a href="#">Switching Portal</a>

5.9.5	Following receipt of the <a href="#">Switching Service Request</a> in 5.9.4 and before the Replacement Supplier effective date.	Initiate revocation of the failed <a href="#">Energy Supplier</a> 's <a href="#">CSS</a> security credentials in accordance with the <a href="#">CSS Schedule</a> , terminate access to the <a href="#">Switching Portal</a> and allow the <a href="#">Replacement Supplier</a> to access the Energy Supplier Loss Notification and Cancellation Report for the impacted <a href="#">MPIDs</a> .	<a href="#">Switching Operator</a>		Internal Process	N/A
5.9.6	As soon as reasonably practicable, following receipt of the notification in 5.9.1.	Submit request to remove the failed <a href="#">Energy Supplier</a> 's access to <a href="#">GES</a> , and <a href="#">ETTOS</a> .	<a href="#">Code Manager</a>	<a href="#">GES Provider</a> ;  ETTOS Provider	Not defined	N/A
5.9.7	<a href="#">Replacement Supplier</a> effective date.	Failed <a href="#">Energy Supplier</a> 's licence is revoked.	<a href="#">Authority</a>		Internal process	N/A
5.9.8	As soon as reasonably practicable following 5.9.1 and within 4 <a href="#">Working Days</a>	Send details of all <a href="#">Data Items</a> in respect of all the <a href="#">Supply Meter Points</a> in respect of which the failed <a href="#">Energy Supplier</a> is Registered.	<a href="#">GES Provider</a>	<a href="#">Replacement Supplier</a>	Not defined	N/A
5.9.9	As soon as reasonably	Provide a plan to the <a href="#">Code</a>	<a href="#">Replacement</a>	<a href="#">Code Manager</a>	Not defined	N/A

	practicable following 5.9.1.	<a href="#">Manager</a> in line with Paragraphs 5.3 to 5.5	<a href="#">Supplier</a>			
5.9.10	No later than 5 <a href="#">Working Days</a> after 5.9.10.	Initiate individual <a href="#">Switch</a> activities to transfer each <a href="#">Metering Point</a> to the <a href="#">Replacement Supplier's MPID(s)</a> .	<a href="#">Replacement Supplier</a>	<a href="#">CSS</a>	In accordance with the <a href="#">Registration Services Schedule</a>	N/A
5.9.11	As soon as reasonably practicable following 5.9.1, where the incumbent <a href="#">Metering Equipment Manager</a> is not being retained.	Appoint the <a href="#">Metering Equipment Manager</a> and update the <a href="#">CDSP</a> (via the <a href="#">Shipper</a> ) in accordance with the <a href="#">Metering Operations Schedule</a> .	<a href="#">Replacement Supplier</a>	<a href="#">MEM Shipper</a>	In accordance with the <a href="#">Metering Operations Schedule</a>	N/A
5.9.12	Following confirmation that all <a href="#">Supply Meter Points</a> have transferred from the failed <a href="#">Energy Supplier's MPID</a> and the gas <a href="#">Market Participant Data</a> has been updated by the <a href="#">CDSP</a> .	Update <a href="#">Market Participant Data</a> to in accordance with the <a href="#">Switching Data Management Schedule</a>	<a href="#">Code Manager</a>	<a href="#">CSS Provider</a>	<a href="#">Market Participant Role</a>	<a href="#">CSS API</a>
5.9.13	Following 5.9.12 where the message passes synchronous validation.	Update <a href="#">Market Participant Data</a> .	<a href="#">CSS Provider</a>		Internal Process	N/A
5.9.14	Following 5.9.13.	Notify change to <a href="#">Market Participant Role</a> and <a href="#">Energy Company</a> association has been made.	<a href="#">Code Manager</a>	<a href="#">CDSP</a>	Not defined	N/A



## 6 Reporting

- 6.1. Where the [Switching Operator](#) receives a request from the [Authority](#) to notify it of the number of [RMPs](#) registered to a specific [Energy Supplier](#), it shall provide the Failed Supplier Report to the [Authority](#) within 5 hours.