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# MP088

## ‘Power to raise modifications’

### Modification Report

#### Version 1.0

## About this document

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This document is the Modification Report for [MP088 'Power to raise modifications'](#). It provides detailed information on the background, issue, solution, costs, impacts and implementation approach. It also summarises the discussions that have been held and the conclusions reached with respect to this Modification Proposal.

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This document also has two annexes:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the proposed solution.
- **Annex B** contains the full responses received to the Refinement Consultation.

## 1. Summary

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There are very limited circumstances where the SEC Panel can raise a modification, and no provisions for the Smart Energy Code Administrator and Secretariat (SECAS) to do so. These constraints act as a blocker to the efficient progression of changes. The Panel has proposed several proposals in the past. However, it was not able to raise these proposals itself. Instead, SECAS sought a SEC Party to do so on the Panel's behalf. Additionally, SECAS has also put forward several Draft Proposals to the Panel for endorsement, but then needed to ask for volunteer Proposers.

Needing to find a volunteer Proposer adds additional time and effort into the process. The volunteer Proposer must also agree to devote the time and effort that being a Proposer requires, where they are not the originator and may only be acting on behalf of others. Furthermore, SECAS or the Panel will need the sponsor's agreement for the solution subsequently developed, adding in further steps.

MP088 proposes to amend SEC Section D to extend the ability to raise modifications to SECAS, the SEC Panel, SEC Sub-Committees and the Alternative Home Area Network (Alt HAN) Forum.

MP088 is not expected to directly impact any SEC Parties, and implementation costs will be limited to SECAS time and effort in updating the SEC. If approved, this modification is targeted for the June 2020 SEC Release.

## 2. Background

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### Who is currently able to raise Draft Proposals?

SEC Section D1.3 allows the following to raise Draft Proposals (which initiate the SEC Modifications Process):

- Parties (including the Data Communications Company (DCC));
- Citizens Advice and Citizens Advice Scotland;
- Anyone specifically designated by the Authority;
- The Authority, but only to ensure compliance with European regulations or following a Significant Code Review (SCR); and
- The Panel in specific circumstances (see below).

The SEC also allows the Security Sub-Committee (SSC) (Section G7.20) and the Smart Metering Key Infrastructure (SMKI) Policy Management Authority (PMA) (Section L1.19) to raise Draft Proposals where they relate to their remits or documents.

The specific circumstances under which the Panel can raise a Draft Proposal are:

- following a review carried out by the Panel at the request of the Authority (Section C2.3(i)), to progress any consequential changes required;
- following a recommendation from SECAS that the SEC is inconsistent with the Code Administration Code of Practice (CACoP) (Section C7.2(c)), to resolve this inconsistency;
- to progress a Fast-Track Modification to resolve any non-material typographical errors or other minor factual inaccuracies or inconsistencies within the SEC; and
- to progress any consequential changes required to the SEC as a result of changes under other Codes.

### What is the issue?

There are limited powers of the Panel to raise Draft Proposals and no provisions for SECAS to raise a Draft Proposal. This is consistent with several other Codes and is based on Code Administrators not being able to raise changes to the provisions that govern their functions. However, there is precedence for Code Administrator to be able to raise changes, for example National Grid can raise Connection and Use of System Code (CUSC) modifications as the System Operator, even though it is also the Code Administrator. In addition, the DCC, whose functions are also subject to SEC governance, is able to raise Draft Proposals.

Allowing one or both bodies wider powers to submit Draft Proposals would allow beneficial changes identified by the Panel or by SECAS to be raised and progressed quicker. This would improve efficiency by allowing these changes to be developed and decided upon sooner.

### 3. Solution

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#### Proposed Solution

MP088 proposes to extend the provisions to raise Draft Proposals to SECAS and the SEC Panel to modify the SEC. Additionally, MP088 will also extend this ability to all of the SEC Sub-Committees and to the Alt HAN Forum for a Proposal that would relate to their relevant areas of expertise (as defined by their terms of reference).

#### Legal text

The changes to the SEC required to deliver the proposed solution can be found in Annex A.

## 4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

### SEC Parties

| SEC Party Categories impacted |                               |  |                       |
|-------------------------------|-------------------------------|--|-----------------------|
|                               | Large Suppliers               |  | Small Suppliers       |
|                               | Electricity Network Operators |  | Gas Network Operators |
|                               | Other SEC Parties             |  | DCC                   |

SEC Parties would not be directly impacted by the implementation of this change. They are likely to be indirectly impacted by MP088, as modifications raised under these extended provisions could impact them.

### DCC System

There is no impact on the DCC Systems.

### SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section D 'Modifications'
- Section G 'Security'
- Section L 'Smart Metering Key Infrastructure and DCC Key Infrastructure'

### Other industry Codes

There are no identified impacts on other industry Codes.

### Greenhouse gas emissions

There are no identified impacts on greenhouse gas emissions.

## 5. Costs

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### DCC costs

There are no DCC costs to implement this modification.

### SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

### SEC Party costs

No SEC Party costs are anticipated to implement this modification.

## 6. Implementation approach

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### Agreed implementation approach

The Panel has agreed an implementation date of:

- **25 June 2020** (June 2020 SEC Release) if a decision to approve is received on or before 11 June 2020; or
- **5 November 2020** (November 2020 SEC Release) if a decision to approve is received after 11 June 2020 but on or before 22 October 2020.

The June 2020 SEC Release is the earliest SEC Release this modification could be included in.

## 7. Discussions and development

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### Who should be given the power to raise modifications?

#### SECAS and the SEC Panel

The Working Group was asked if the provisions to raise modifications should be extended to the SEC Panel and SECAS (possibly with the caveat of Panel approval). The Working Group agreed that it could see the benefits of extending these provisions to the SEC Panel and to SECAS. Members also saw no reason why the power for either to raise proposals shouldn't be unrestricted.

All Proposals raised will still go through the SEC defined Modifications Process (SEC Section D). All SEC Parties will have the opportunity to respond to consultations and attend the Working Groups, and the final decision will be made by either the Change Board or the Authority.

#### Alt HAN Forum

Following comments received from the Change Sub-Committee, the Working Group was asked to consider the extensions of these provisions to the Alt HAN Forum. It was presented with the five Alt HAN Forum-initiated modifications (see below), three of which have been approved, and the remainder of which are currently undergoing the Modification Process. Initially the Working Group agreed that the provision should be extended to the Alt HAN Forum to raise modifications in relation to SEC Section Z 'Alt HAN arrangements'. However, after further discussion, the Working Group believed it would be best not to restrict this just to Section Z as any Proposal would be required to go through the Modifications Process.

#### SEC Sub-Committees

Similar conversations were had regarding the SEC Sub-Committees and Working Group members agreed that they should not be limited to specific SEC Sections. However, a Proposal that a Sub-Committee raises should be related to that Sub-Committee's activities. This can be defined within their respective terms of reference.

The Working Group noted that within a Sub-Committee or the Alt HAN Forum, a representative must be appointed when raising a Proposal. This person will act on behalf of the Sub-Committee as role of Proposer. It was noted that SEC Section D already requires a Proposal to have a named Proposer, and, where applicable, a named representative working on their behalf.

### Previous modifications with voluntary Proposers

#### Past SEC Panel and SECAS initiated modifications

The SEC Panel and SECAS (as the Code Administrator) are in a position where issues within the SEC can frequently and quickly be identified, due to their central role in the arrangements. However, they cannot take direct action to rectify these issues, but instead must seek out a Proposer to sponsor a proposal on their behalf. This has occurred frequently in the past as outlined in the table below:

| Past SEC Panel or SECAS initiated modifications                                                                 |           |                    |
|-----------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| Modifications with volunteer Proposers                                                                          | Initiator | Status             |
| <a href="#">SECMP0047 'Default Provisions for Other SEC Parties'</a>                                            | SEC Panel | Implemented        |
| <a href="#">SECMP0049 'Section D Review: Amendments to the Modification Process'</a>                            | SECAS     | Implemented        |
| <a href="#">SEMP0050 'Section D Review: Moving the Working Group Terms of Reference to a separate document'</a> | SECAS     | Implemented        |
| <a href="#">SECMP0051 'Section D Review: Amendments to the Fast Track Modification process'</a>                 | SECAS     | Implemented        |
| <a href="#">SECMP0055 'Incorporation of multiple Issue Resolution Proposals into the SEC'</a>                   | SECAS     | Implemented        |
| <a href="#">SECMP0061 'Enduring SEC Release Provisions'</a>                                                     | SEC Panel | Implemented        |
| <a href="#">SECMP0069 'EU Exit Changes'</a>                                                                     | SECAS     | Implemented        |
| <a href="#">MP0076 'Pursuing Non-Payment in Events of Default'</a>                                              | SEC Panel | Implemented        |
| <a href="#">MP078 'Incorporation of multiple Issue Resolution Proposals into the SEC - Part 2'</a>              | SECAS     | Refinement Process |
| <a href="#">MP079 'Provisions for withdrawing modifications'</a>                                                | SECAS     | Report Phase       |
| <a href="#">MP084 'Other User Panel Seating Amendment'</a>                                                      | SEC Panel | Refinement Process |
| <a href="#">MP088 'Power to raise modifications'</a>                                                            | SECAS     | Refinement Process |
| <a href="#">DP095 'Alignment of SEC Credit Cover'</a>                                                           | SEC Panel | Development Stage  |
| <a href="#">DP098 'Incorporation of multiple Issue Resolution Proposals into the SEC - Batch 3'</a>             | SECAS     | Development Stage  |

Additionally, SECAS is now responsible for Non GBCS Non Mandated Alerts (NGNM)<sup>1</sup> and Issue Resolution Proposals (IRPs) passed from the Department of Business, Energy and Industrial Strategy (BEIS) with the expectation that these will be implemented within the SEC. This is where [SECMP0055](#), [MP078](#), [MP090](#), [DP098](#) and [DP099](#) have stemmed from. SECAS is setting up an enduring process to coordinate these changes and implement them in an efficient manner. As this will be an enduring process, seeking a Proposer each time will hamper the efficiency of the process.

Although under the current SEC arrangements these Proposals have been raised by seeking a volunteer Proposer, it is generally the same organisations that are willing to do this and are relied on heavily. This should not be considered an enduring process as it puts an unfair burden on these organisations. SEC Proposals are Proposer-led, and therefore ultimately, they would have to make decisions on a Proposal that did not originate from them. Additionally, if one of these Proposals becomes controversial, it could reflect negatively on the Proposer and add extra burden.

### Alt HAN Forum initiated modifications

As the Alt HAN Arrangements and the Alt HAN Company (AltHANCo) develop, there will be discrepancies that are identified between the SEC and what is occurring in actuality. The Alt HAN Forum has requested modifications be raised in the past to align these discrepancies within the SEC as below:

<sup>1</sup> <https://smartenergycodecompany.co.uk/the-developing-sec/>

| Past Alt HAN-initiated modifications                                                                                                         |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Modifications with volunteer Proposers                                                                                                       | Status             |
| <a href="#">SECMP0064 'Alt HAN Co permission to seek access for Alt HAN Activities as a representative of energy suppliers'</a>              | Implemented        |
| <a href="#">SECMP0070 'Permission to give Alt HAN Forum vires for enduring management and maintenance of the Exempt Premises List (EPL)'</a> | Implemented        |
| <a href="#">MP082 '2.4GHz Channel Management'</a>                                                                                            | Refinement Process |
| <a href="#">MP086 'Alt HAN Roll-Out Financing'</a>                                                                                           | Report Phase       |

In such cases the Alt HAN Forum has sought a Proposer to raise a Draft Proposal. However, all contact the Code Administrator has had for these Draft Proposal is with an AlthANCo or Alt HAN Forum representative, rather than the Proposer themselves.

### How does this modification relate to the CACoP provisions?

Code Administration Code of Practice (CACoP) Principle 6<sup>2</sup> places the ownership for modifications on their Proposers. A Proposer has the right to full ownership over their preferred solution, including the sole right to amend Proposed Solutions (with Working Groups owning and amending Alternative Solutions). Under the current SEC arrangement, a volunteer Proposer may not have the same level of interest in a modification as if they had put forward the modification themselves.

<sup>2</sup> A Proposer of a Modification will retain ownership of the detail of their solution

## 8. Conclusions

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### Benefits and drawbacks

The Proposer and the Working Group have identified the following benefits and drawbacks in implementing this modification:

#### Benefits

- An increase in efficiency in the modifications process where a Proposal is initiated by the identified parties.

#### Drawbacks

- No drawbacks have been identified.

### Proposer's rationale against the General SEC Objectives

#### Objective (g)<sup>3</sup>

The Proposer believes that MP088 will better facilitate SEC Objective (g) by increasing the efficiency of administration of SEC Section D 'Modifications' by reducing the time required to find a willing volunteer Proposer and to have the ownership of such Modifications in the hands of owners who are engaged in the process.

### Working Group members' views

Working Group members are in support of MP088. They agree with the benefits that this modification will introduce in increasing the efficiency of raising certain proposals to modify the SEC.

### Consultation respondents' views

The respondents to the Refinement Consultation have mixed views on the solution being put forward. Five responses were received, from one Large Supplier and four Network Parties. Those that agree with the solution described believe MP088 would better facilitate SEC objective (g). The two respondents opposed to the solution believe that the current SEC arrangements are satisfactory for raising Proposals.

The full responses to the Refinement Consultation can be found in Annex B

### Sub-Committee views

The Sub-Committees are in support of this modification and are in support of these provisions being extended to the Sub-Committees, restricted by their terms of reference.

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<sup>3</sup> Facilitate the efficient and transparent administration and implementation of the SEC

### Panel's conclusions

There was some concern regarding the lack of restriction on what types of proposals the additional parties could raise. It was discussed that the SEC may become too prescriptive if this was added in, leading to issues later on, and that the Proposed Solution is more in alignment with the Code Manager approach. It was queried if a Code Administrator should be doing more than administrative changes.

The Panel agreed the modification was ready to proceed to decision as an Authority Determined Modification.

## Appendix 1: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

| Glossary    |                                                               |
|-------------|---------------------------------------------------------------|
| Acronym     | Full term                                                     |
| Alt HAN     | Alternative Home Area Network                                 |
| Alt HAN Co  | Alternative Home Area Network Company                         |
| BEIS        | Department of Business, Energy and Industrial Strategy        |
| CACoP       | Code Administrators Code of Practice                          |
| CUSC        | Connection Use of System Code                                 |
| DCC         | Data Communications Company                                   |
| IRP         | Issue Resolution Proposal                                     |
| NGNM Alerts | Non GBCS Non Mandate Alerts                                   |
| SCR         | Significant Code Review                                       |
| SEC         | Smart Energy Code                                             |
| SECAS       | Smart Energy Code Administrator and Secretariat               |
| SMKI PMA    | Smart Metering Key Infrastructure Policy Management Authority |
| SSC         | Security Sub-Committee                                        |



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