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MP186 ‘Section D Review (2020): further enhancements’ Conclusions Report – version 0.1

About this document

This document summarises the responses received to the Modification Report Consultation regarding approval or rejection of this modification.

Summary of conclusions

Modification Report Consultation

SECAS received six responses to the Modification Report Consultation. Five respondents believed that the modification should be approved. They considered the modification better facilitated SEC Objective (g)¹. The final respondent believed that the modification should be rejected.

¹ To facilitate the efficient and transparent administration and implementation of this Code.

Modification Report Consultation responses

Summary of responses

Five respondents believed that the modification should be approved, citing that it would make for a more efficient and easier to navigate Modification Process.

One of the respondents in favour raised concerns with the extension of the Preliminary Assessment service level agreement (SLA) from 15 Working Days to 25 Working Days. They noted that this might not work as intended without some sort of incentive for the DCC to meet the new SLA.

In response to this, the DCC advised that the 25 Working Day SLA is based on evidence collated on Preliminary Assessment development to date and builds on the actions the DCC has taken to improve turnaround times for recent Preliminary Assessments. It added that the current 15 Working Day SLA is based on contract clauses which are now 10 years old and do not consider the significant increase in the complexity of the DCC systems since the contracts were signed. With the 25 Working Day SLA being evidence based, it is a target the DCC considers to be achievable and affordable.

Preliminary Assessments cover a vast scope with different levels of resource required to complete them. The DCC therefore believed that associating performance incentives to DCC Assessment timescales might not result in any benefit. The DCC noted that introducing penalties on targets specified in the SEC would require contract changes with the Service Providers to cover the risk. This could lead to increased overall costs for DCC Assessments, which is something it does not want to see.

One respondent believed that the modification should be rejected, although they were supportive of the majority of the changes proposed as they will allow for a more efficient Modification Process. However, the respondent raised three points which it believed created inefficiencies in the Modifications Process. A summary of the SECAS responses to these points has been provided below:

1. *Not making the Change Sub-Committee's (CSC's) delegated powers in overseeing the modification progression and timetables enduring.*

SECAS understands the respondent's views on making the CSC's delegated powers enduring. However, the Department for Business, Energy and Industrial Strategy (BEIS) and Ofgem Energy Code Reform is still under development, with the detailed arrangements arising from this still to be confirmed. In the meantime, any proposal to change the SEC must show how this would work or is needed in the context of today's arrangements, rather than being introduced because it may be the process in the future.

SECAS also highlights that leaving these provisions as being the Panel's responsibility within the SEC allows for the most flexibility in how these powers may be delegated. The Panel would be able to choose how much of its power to delegate, and whether there are any restrictions (such as a costs threshold) or routes for appeal and can amend or revoke this delegation at any time. The Panel would ultimately remain responsible for decisions on modifications in any scenario but hardwiring the oversight as sitting with the CSC could then prevent the Panel having any input on these decisions in the future. Leaving the provisions as-is mitigates this risk, which was highlighted during the Refinement Process.

2. *Not codifying the ability for the CSC or Working Group to delegate their powers to a party category to refine and endorse legal text. This point was also raised by another Party of the same category in support of the modification.*

SECAS is fully supportive of flexibility in solution development, such as working closely with a specific Party Category as it did for [MP096 'DNO Power Outage Alerts'](#). However, this is not an arrangement that needs to be codified – the SEC requires the legal text be provided as part of the Modification Report but is silent on how this is developed to better facilitate such flexibility as was used with MP096. This approach would be better referred to in the Working Group's terms of reference, which will be updated in parallel with the implementation of MP186 (if approved).

3. *Not codifying a suggested new obligation on the DCC to ensure it is obliged to address each of the concerns raised by a party in any DCC Assessment and to give those Parties sufficient notice and time to review its assessments.*

SECAS agreed that the DCC should strive to improve its stakeholder/user engagement. However, upon consideration it did not think that is a level of detail needed in the SEC. SECAS also highlighted that, other than the changes set out in the Modification Report, the provisions and obligations around DCC Assessments would be unchanged under MP186 from those in place today.

SEC Section C legal text amendment (Annex C)

During refinement, the proposal to make the CSC's delegated powers in the Modification Process enduring was dropped, and the legal text for SEC Section D amended to reflect this. However, in the Report Phase a participant flagged that a proposed amendment for SEC Section C 'Governance' for the original proposed solution remained in the legal text. SECAS consequently cancelled the proposed change at Section C2.3(d) to reflect the CSC's delegated powers would not be codified and made enduring.