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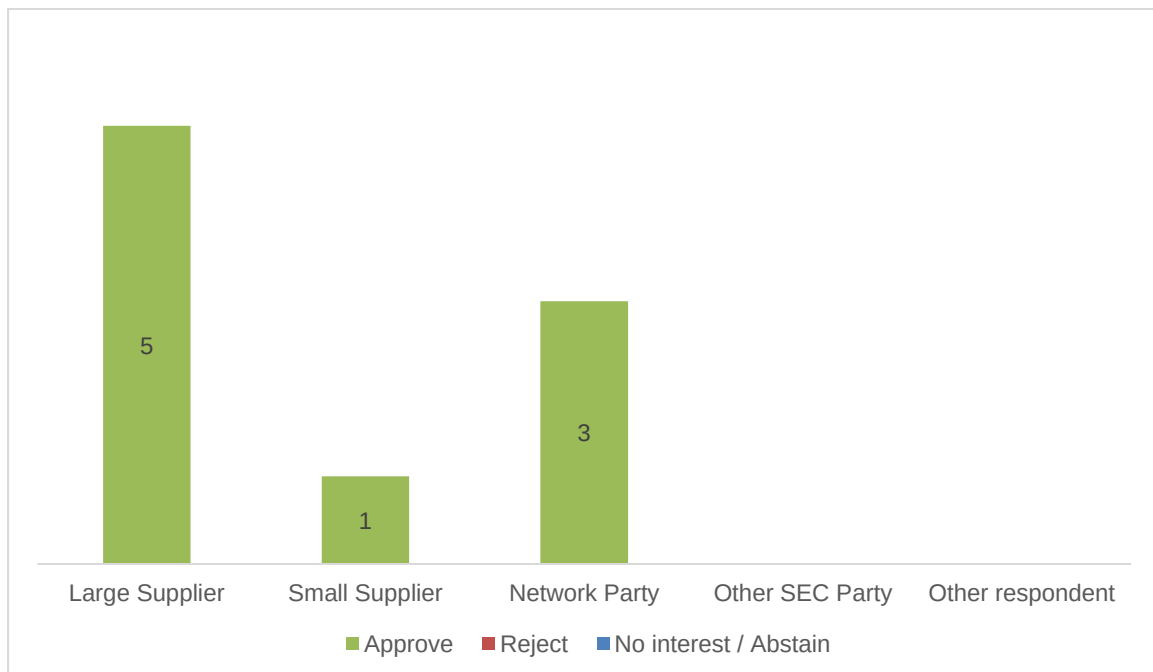
MP224 ‘SEC Performance Assurance Framework’

Modification Report Consultation responses

About this document

This document contains the full collated responses received to the MP224 Modification Report Consultation.

Summary of responses



Question 1: Do you believe that MP224 should be approved or rejected?

Question 1				
Respondent	Category	Response	Rationale	SECAS Response
E.ON Next	Large Supplier	Approve	Better facilitates General SEC Objectives (a) and (g)	-
Scottish and Southern Electricity Networks	Electricity Network Party	Approve	We believe MP224 would better facilitate the General SEC Objectives as this should ensure compliance with all SEC objectives that are currently not being met. Implementation of this SEC MOD would benefit all Parties as this would mean risk is being recognised, resulting in issues being resolved. As an example, this should improve the performance surrounding the seven-day obligation on certificate rotation as this will be measured and reviewed closer than it is currently.	-
National Grid Electricity Distribution	Electricity Network Party	Approve	-	-
Electricity North West Limited	Electricity Network Party	Approve	We agree with the principle that a risk-based SEC PAF could give confidence to SEC Parties that: - the obligations (in scope) set out in the SEC are being fulfilled, - they are not being disadvantaged, either individually and collectively by the failure of any one Party to meet its obligations and	-

Question 1				
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			performance risks and issues are dealt with in a standardised and transparent manner.	
ENGIE	Small Supplier	Approve	We believe that all the SEC objectives will be better facilitated by having a Performance Assurance Framework.	-
Utilita Energy Ltd	Large Supplier	Approve	We believe that there are benefits to be gained by implementing the framework outlined in this modification. However, we remain wary that performance assurance risks and techniques will be defined and developed only after approval of the modification. While we appreciate that these will be subject to consultation, this does not necessarily give those who would be subject to potential penalties a final say on the measurements and penalties before they are subject to them. As such, we believe that the framework (produced by the committee formed following approval of this modification) should be subject to some form of final approval by impacted Parties. There must also be an amnesty period granted to allow Parties to rectify any issues revealed by the implementation of the performance assurance framework before penalties are levied.	The legal drafting does give final approval to the PAB on the documentation, but is clear that consultation must take place, due consideration be given to any comments received, and appropriate amendments be made in light of those comments. With regards any amnesty, the aims of the PAF are to improve service, it is not aimed to punish Parties and therefore the focus should not be punitive.
British Gas	Large Supplier	Approved	SEC General Objectives (a) and (g).	-

Question 1				
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Octopus Energy Ltd	Large Supplier	Approve	By implementing a PAF there is a commitment by all parties to meet the obligations of the PAF and therefore improve the function of the smart meter system, limiting the risk of service impact.	-
EDF Energy Customers Ltd	Large Supplier	Approve	We agree that the introduction of a SEC Performance Assurance Framework (PAF) has the potential to better facilitate SEC objectives (a) and (g). However, the introduction of a PAF will not deliver these outcomes on its own, it will need to be properly designed and implemented with an appropriate focus on the relevant areas and risks. We remain concerned that so much of the detail of how the SEC PAF will operate is yet to be determined, and that as a result the PAF could result in increased costs and increase the burden on SEC Parties, without delivering the benefits that are being promised. We are especially concerned that the detail of the areas of the SEC that would be in scope for the PAF remain unclear, and that some of the suggestions in the Modification Report appear to be inappropriate for a SEC PAF for example: • Failure to complete post-commissioning or SMKI obligations – many of these obligations are	We agree that the development of the remaining artefacts is key to the success of the PAF. We note the concern around issues within scope. Whilst certain obligations are out of scope, the overall risk may include these risk drivers that can be managed by the existing provisions. There may also be other drivers that are contributing to the failure which link to other areas of the SEC. New clause C9.7 requires the newly formed PAB to develop and maintain these documents and therefore expect these to be drafted and consulted upon as first point of business of the PAB.

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			ultimately driven by security requirements which are out of scope of the SEC PAF. - DCC Outages/ Market-wide Half Hourly Settlement (MHHS) and increased DCC traffic – it is not clear how the PAF will be able to influence the DCC and its performance given that much of this is governed by the DCC Licence and overseen by Ofgem. It is not clear that the PAF will have the ability to improve DCC performance. - Suppliers not keeping firmware up to date – the requirement for devices to remain SMETS compliant is in the supply licence, not in the SEC which provides suppliers with the tools to meet that licence obligation. The PAF can only deal with matters within the scope of the SEC, and must not create ‘double jeopardy’ where Parties are subject to both PAB and Ofgem oversight. We agree that Suppliers not responding to install code emails and Suppliers not updating the Smart Metering Inventory (SMI) could be candidates for the SEC PAF as they are clearly related to SEC obligations and not covered by other governance. We would like to see the further detail of the SEC PAF and especially the Risk Register and the Performance	

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			Assurance Operating Plan developed and consulted on as soon as possible.	

Question 2: Please provide any further comments you may have.

Question 2			
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E.ON Next	Large Supplier	-	-
Scottish and Southern Electricity Networks	Electricity Network Party	-	-
National Grid Electricity Distribution	Electricity Network Party	-	-
Electricity North West Limited	Electricity Network Party	We recommend that SECCo in setting up the new SEC PAF/SEC PAB is required to consider the recommendations/work of the MP224 working group so as to avoid unnecessary duplication of effort. If the SECCo or the SEC PAB do not take forward elements of the MP244 recommendations then the business rationale for this should be clear and transparent during the consultation with SEC Parties as part of the earlier stages of the developing of the new SEC PAF methodology and processes. There is an error in the table on page 9 which states the SSC do not need to be consulted. The SSC were consulted with regarding Sections G exclusion from the new SEC PAF and SSC statement accompanies	The contents of the Modification Report, in particular the first draft of the Risk Evaluation Methodology, shall be passed onto the PAB once formed. We note the error within the table and acknowledge this should have been updated.

Question 2			
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		this consultation which provided the business rationale for this exclusion.	
ENGIE	Small Supplier	Please refer to our RFI responses as summarised in Appendix A of the Modification Report. We note that financial penalties have been removed from the framework and agree with this decision on the basis of the arguments put forward in the RFI.	-
Utilita Energy Ltd	Large Supplier	We are fully supportive that Sections G 'Security' and Z 'Alt HAN Arrangements' being excluded from the scope of the performance assurance framework. We believe that the bodies managing both sections have solid control over these and adding an additional layer would only be detrimental.	-
British Gas	Large Supplier	We consider the introduction of a PAB will be a constructive, helpful development for SEC parties and the smooth running of the industry. We agree with the removal of Financial Penalties, but wonder what this may mean in practice for the PAB ability to deliver improvements. We presume the 'goal' of the PAB will be to proactively address performance issues, rather than focusing on 'name and shame'. We think it would be advantageous for the individual representatives appointed to the PAB to be different to those on SEC Panel, if possible. As a large 'Large Supplier', we would appreciate any 'anonymous' reporting from the PAB to be on a proportionate basis, rather than absolute numbers. Is it clear how much visibility Ofgem – and individual SEC parties – will have over the PAB's activities and its' findings? We assume the	The goal of the PAF is to deliver service improvements and the development and application of the Performance Assurance Techniques would be done with this goal in mind. Parties can nominate and elect those who they think are best fit to stand, noting any conflict of interest or separation of duties.

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		meeting notes will be confidential, but the outputs (for example the monthly report to Panel and the annual Performance Assurance Report) will be anonymised but colour-rated so they can be shared by Panel members with their individual constituencies. Is this correct?	Ofgem can attend any PAB meeting in a non-voting capacity. The outputs of the PAB would follow the principles of the Panel Information Policy and be able to be disseminated where possible, but not to the detriment of any Party.
Octopus Energy Ltd	Large Supplier	The creation of a PAF and PAB will help ensure that all parties are meeting their SEC obligations and provide assurance to the industry that all parties are being treated fairly. This is an improvement on the existing assurance mechanisms which require dealing with individual issues as they arise rather than proactively reporting on them. We agree with the notion that both SEC sections Z and G are not incorporated in this due to these being covered elsewhere.	
EDF Energy Customers Ltd	Large Supplier	-	