



This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

Stage 02: Working Group Consultation

SECMP0043:

Modification to Services Force Majeure Provisions

Summary

This modification aims to introduce a process to allow DCC to claim relief under the Operational Performance Regime (OPR) for any exceptional events that are beyond its control

Working Group View

- The Working Group is initially neutral as to whether SECMP0043 should be approved or rejected.

Impacts



- There are no impacts on SEC Parties identified.
- There are no impacts on DCC Central Systems or Party interfacing systems.

Response Deadline



- This consultation closes at 5pm on Wednesday 28th November 2018.

What stage is this document in the process?

01	Initial Assessment
02	Refinement Process
03	Modification Report
04	Decision

SECCAS Contact:

Name:

Nikki Olomo

Number:

020 7081 3095

Email:

SEC.Change@gemserv.com

SECMP0043

Working Group
Consultation

07 November 2018

Version 0.1

Page 1 of 4

This document is
classified as **White**

© SECCo 2018



About this Document

This is the Working Group Consultation (WGC) for SECMP0043. This document provides a high-level summary of the issue, solution(s), impacts and costs, implementation date and WG's views on the Modification Proposal;

This document has three attachments:

- Attachment A contains the Draft Modification Report (DMR) which provides a detailed explanation of the issue, solution(s), impacts, costs, implementation as well as the full WG discussions and conclusions;
- Attachment B contains the draft legal text changes to support this modification; and
- Attachment C contains the WGC response form.

As part of this consultation SEC Parties will be asked to provide their views on SECMP0043. The information provided will help us to better understand the benefits and drawbacks of the modification, shape the solution(s) and assist the Panel, the Change Board and/or the Authority in their determination.



Summary of SECMP0043

What is the issue?

In April 2018, Ofgem implemented the DCC Operational Performance Regime (OPR), through modification to the Smart Meter Communication Licence (DCC Licence). The key principles underpinning the design of the OPR performance measures are consistent with the Performance Measures in Section H13 of the Smart Energy Code (SEC). The OPR places performance incentives on DCC by placing 100% of the value of DCC's smart meter related margin at risk.

Following a review of current regulation, DCC does not believe that the OPR or the SEC provide a process for DCC to apply for relief for exceptional events; events outside DCC's control. Services Force Majeure (FM) (SEC Section M3) defines relief events and the process to claim relief for DCC Services, however Services FM is narrowly defined, and applies to a limited number of relief events, such as acts of terrorism or war. It does not apply to all events outside of DCC's control. In the absence of a process for a broader concept of relief events in the SEC, DCC believes there is a risk that they will be penalised under the OPR for delayed/ non-performance of its obligations due to events outside its control.

What is the Proposed Solution?

The proposed solution is to introduce provisions by which DCC can claim relief under the OPR for exceptional events, by defining OPR Reporting in SEC Section A and setting out the relief application procedures in SEC Section H. It will also clarify the procedure which the DCC and the Panel are to follow if the DCC wishes to claim Services FM outlined in SEC Section M3.

Impacts

Party

DCC will be able to claim for relief under the OPR for any exceptional events. There are no impacts on any other SEC Parties anticipated.

System

There are no impacts on DCC Central Systems or Party interfacing systems anticipated.

Implementation Costs

The total estimated implementation cost to deliver SECMP0043 is approximately £1,200, consisting of SECAS time and effort to implement the changes.

SECMP0043

Working Group
Consultation

07 November 2018

Version 0.1

Page 3 of 4

This document is classified
as **White**

© SECCo 2018



Implementation Date

The Working Group recommends an implementation date of:

- **28th February 2019**, if a decision to approved is received on or before 14th February 2019.

Working Group's views

The Working Group is currently neutrality as to whether SECMP0043 better facilitates the SEC Objectives. Therefore, it is unable to form an opinion at this time on if the Modification Proposal should be approved or rejected.

Where can you find further information?

A full description of the issue, solution(s), impacts, costs, implementation date and the Working Groups (WGs) views on the merits of SECMP0043 can be found in the DMR (Attachment A).