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Paper Reference:	SECP_113_2802_14
Action:	For Decision

Amendments to the SEC Modifications Working Group Terms of Reference

1. Purpose

Following a review of the SEC modification framework, changes and clarifications were made to the way in which the SEC modification Working Groups were held. This paper invites the Panel to approve the updated Terms of Reference to reflect these changes to be used from 1 March 2023.

2. Reviewing the approach for Working Group

In October 2020, the SEC Panel agreed to SECAS carrying out an end-to-end review of the SEC modification framework. Several areas were investigated to identify any improvements that could be made which included a review of the role of the Working Group. SECAS presented its final recommendations to the Panel in April 2021¹.

Prior to this review, we had adopted the approach that, rather than forming separate Working Groups for each modification with a named membership, we would hold monthly Working Group sessions where several modifications could be discussed within a single meeting. This would allow a more efficient use of industry time. Specific Working Groups could still be formed for specific modifications, meeting as and when required, where beneficial. The feedback we got during the review supported carrying on with this approach.

During our review, we also proposed clarifications to the role of the Working Group, which we consulted the industry on. We received support for making the role of the Working Group clearer.

These changes and clarifications now require reflecting in the Working Group Terms of Reference.

3. Amendments to the Terms of Reference

The Working Group is now held monthly on a set date decided in advance. This allows better planning for SECAS and for parties that attend the meetings. Anyone can attend the Working Group to provide input as there is no set 'membership'. The voting rights have also been amended to reflect the changes to 'membership'. In addition the format of the Terms of Reference has been updated to align with the Terms of Reference of the SEC Sub-Committees for consistency.

¹ Please see SEC Panel paper SECP_91_1604_20 (White) for more information, including the SEC Section D Review (2020) Final Report

The proposed changes to the Terms of Reference can be found in Appendix A, with the redlined changes shown in Appendix C.

4. Consultation

Changes to the Working Group Terms of Reference may be approved by the Panel following consultation with Parties on the proposed changes (SEC Section D6.2).

The revised Working Group Terms of Reference were presented to the Working Group for review and issued for a 15 Working Day consultation. No comments were received from the Working Group and one Party responded to the consultation. That respondent was in support of the changes, and their response can be found in Appendix B.

We are asking the Panel to approve the changes to the Working Group Terms of Reference to be effective from 1 March 2023.

5. Recommendations

The SEC Panel is asked to:

- **APPROVE** the Working Group Terms of Reference to be effective from 1 March 2023

Ali Beard

SECAS Team

21 February 2023

Attachments:

- **Appendix A:** SEC Modification Working Group Terms of Reference v3.1
- **Appendix B:** SEC Modification Working Group Terms of Reference consultation responses
- **Appendix C:** SEC Modification Working Group Terms of Reference redlined changes