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Paper Reference:	SECP_154_2807_06
Action:	For Decision
<u>Acronyms and Defined Terms SEC Glossary</u>	

Performance Assurance Board (PAB) Terms of Reference

1. Purpose

This paper presents an update to the Panel on several proposed revisions to the PAB Terms of Reference (ToR) and seeks the Panel's approval of these amendments.

2. Changes to the PAB Terms of Reference

Since convening its inaugural meeting in May 2025, the PAB has directed its efforts towards the procurement process to appoint a Performance Assurance Partner, and now the mobilisation of the Performance Assurance Framework (PAF). In preparation for the launch of the next phase of the PAF's implementation, the PAB Chair has undertaken a review of the ToR to ensure it remains fit for purpose and continues to provide effective support for the PAB's functions and objectives. A summary table of changes is contained in Annex 1 of this paper.

3. Next Steps

Following the Panel's approval the ToR will be published on the SEC Website as version 3.0 and a formal invitation will be sent to the Energy Codes and Ofgem to begin membership of the PAB from September 2026.

4. Recommendations

The Panel is requested to:

- **APPROVE** version 2.1 of the PAB Terms of Reference.

Beth Procter
Senior Performance Assurance Manager
PAB Chair

20 July 2026

Appendices

Attachments

Appendix A: Performance Assurance Board (PAB) Terms of Reference 1.3 (Redlined) (CLEAR)

Appendix B: Performance Assurance Board (PAB) Terms of Reference 1.3 (Clean) (CLEAR)

Annex

Annex 1 Summary Table of Changes to the PAB Terms of Reference

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Section	Text changes	Rationale
5.1.1 Members (voting)	two persons elected by the Network Parties;	The PAB membership currently includes only one Electricity Network Party representative because Gas Network Parties did not express an interest in participating. This amended structure allows flexibility for any combination of Gas and Electricity Network Parties to be represented. Updated to align with the SEC Panel Terms of Reference wording.
5.1.1 Members (non-voting)	- one member nominated by the Balancing and Settlement Code (BSC) for Performance Assurance; - one member nominated by the Retail Energy Code (REC) for Performance Assurance; and - One member nominated by the Uniform Network Code (UNC) / Independent Gas Transporters' (IGT) UNC for Performance Assurance.	Added representatives from other Code Performance Assurance as non-voting members. To strengthen cross-Code Collaboration with Performance Assurance.
5.1.1 Members (non-voting)	a representative from the Authority will also be invited to attend on a standing basis in a non-voting capacity.	Ofgem have expressed an interest in attending PAB meetings, and we accept there is a strong link between SEC Party performance and Ofgem's compliance/enforcement activities. Therefore we will work collaboratively with Ofgem, ensuring their participation in PAB meetings supports effective two-way insight sharing. This inclusion provides clear value to both PAB and Ofgem by strengthening transparency, alignment and understanding of emerging performance issues.
5.1.2 Members (Appointment term)	The Panel shall appoint members to the PAB following an election process. For the inaugural PAB only, all appointed PAB members shall remain in office in their first term for 24 months or until their resignation has been submitted in writing to the PAB Secretary or their removal by the Panel in accordance with paragraphs 5.1.3 and 5.1.4 below (whichever is earlier). Following this initial term, all subsequently elected PAB members will serve terms of 12 months.	The wording has been revised to incorporate the inclusion of the other Codes and Ofgem, while still maintaining the original 24 month commitment for the founding PAB members.
12. Definitions	- Added the Code Bodies: - Balancing and Settlement Code - Independent Gas Transporters' (IGT) Uniform Network Code (UNC) - Retail Energy Code (or REC) - Uniform Network Code (or UNC)	Added representatives from other Code Performance Assurance as non-voting members so they are now included in the definitions.
Annex A	SEC Party Category/ Energy Code or if from The Authority (state appropriate role):	Added the Energy Codes and the Authority as a role type to the

		Confidentiality and Non-Disclosure Agreement (NDA) form.
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Other housekeeping updates have been made to structure and to make the respective section clearer or to facilitate the key changes listed in the above table.