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| **SEC Modification Proposal Form – SECMP0069** |
| **Mod Title: EU Exit Changes**  |
| Submission Date28 January 2019 |

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| Details of Proposer  |
| Name: | Simon Trivella |
| Organisation: | Centrica |
| Contact Number: | 07769 547123 |
| Email Address: | Simon.Trivella@centrica.com |
| **Details of Representative (if applicable)** |
| Name: |  |
| Organisation: |  |
| Contact Number: |  |
| Email Address: |  |

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| **1. What issue are you looking to address?** |
| On 23 June 2016 the UK voted to leave the European Union. The UK Government subsequently triggered Article 50 of the Lisbon Treaty, setting the exit date at 29 March 2019, and immediately began exit negotiations. Following two years of negotiations, the current situation remains unclear but could end in one of three ways:* The UK secures a Withdrawal Agreement;
* The UK leaves the EU with another agreement; or
* The UK leaves the EU with no deal.

Ofgem have requested all Code Administrators to prepare Modifications and legal text changes for a ‘worst-case’ ‘No-Deal’ scenario.If a ‘No-Deal’ scenario applies, the UK would no longer be subject to any EU Laws or Directives and therefore any references in the SEC to such Laws or Directives would need to be removed or changed.If the UK secures a Withdrawal Agreement, it is our understanding that no immediate changes will be necessary; however, changes will be needed in the longer term.If neither of these outcomes apply and a different, as yet undecided, deal is secured, the references may or may not need to be removed depending on the details of the deal. |
| **2. Why does this issue need to be addressed?** *(i.e. Why is doing nothing not an option?)* |
| If a ‘No-Deal’ scenario applies, the UK would no longer be subject to any EU Laws or Directives and therefore any references in the SEC to European Law would need to be removed or changed to bring the SEC in line with UK Law. |
| **3. What is your Proposed Solution?** |
| SECAS have identified all European references within the SEC and suggested changes which would be needed in the event of a No deal Exit but also that will apply after any Transitional Period when the UK exits the EU. We have consulted with appropriate experts and Sub-Committees on specific references. |
| **4. What SEC objectives does this Modification better facilitate?** |
| This Modification would allow any references in the SEC to EU Law to be removed or changed to bring the SEC in line with UK Law, in order to facilitate the seventh objective of the SEC which is to facilitate the efficient and transparent administration and implementation of the code.  |
| **5. What is the requested Path type?**  | Path 3 |
| This has no material impact on the SEC or SEC Parties and is therefore a Path 3 Self Governance modification.  |
| **6. Are you requesting that the Modification Proposal be treated as Urgent?** | No |
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| **7. What is your desired implementation date?** |
| Implementation should be the date agreed by the UK Government on which the UK leaves the EU. |
| **8. Which SEC Parties are expected to be impacted? (Please mark with an X)** |
| Large Supplier Parties |  | Small Supplier Parties |  |
| Electricity Network Parties |  | Gas Network Parties |  |
| Other SEC Parties |  |
| There are no system impacts on any Party. |
| **9. Which parts of the SEC will be impacted?** |
| * Section A ‘Definitions and Interpretation’
* Schedule D ‘Modification Process’
* Schedule 8 - GB Companion Specification
* Schedule 9 ‘SME Technical Specification 2’
* Schedule 10 ‘CH Technical Specification’
* Appendix AD ‘DCC User Interface Specification’

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| **10. Will there be an impact on Central Systems? (Please mark with an X)** |
| DCC Systems |  | Party interfacing systems |  |
| Smart Metering Systems |  | Communication Hubs |  |
| Other systems |  |
| There are no system impacts on any Party. |
| **11. Will there be any testing required?** |
| No |
| **12. Will this Modification impact other Energy Codes?** | No |
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| **13. Will this Modification impact Greenhouse Gas Emissions?** | No |
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