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DP079 'Provisions for withdrawing modifications'

Problem statement – version 0.1

About this document

This document provides a summary of this Draft Proposal, including the issue or problem identified, the impacts this is having, and the context of this issue within the Smart Energy Code (SEC).

Proposer

This Draft Proposal has been raised by Simon Trivella from British Gas.

What is the issue or problem identified?

Who is able to withdraw a modification?

The provisions in SEC Section D 'Modifications Process' are built around the key principle that any SEC Party can raise a proposal to change the SEC, and that each proposal should undergo due process for a solution to be developed and for this to be determined upon. As such, SECAS and the Panel must allow any proposal into the process and ensure it receives a fair assessment.

The SEC does contain provisions for the Proposer to withdraw their proposal prior to final decision, if they no longer wish to progress it (for example it is identified that the issue can be resolved without a change to the SEC, or if it is clear the proposal is not likely to succeed). However, this power is limited to the Proposer; SECAS, the Panel nor their Sub-Committees cannot close a modification prior to decision.

During their recent feedback sessions, SECAS identified frustration among many Parties that the SEC does not provide any power for SECAS, the Panel or the Change Board to withdraw a modification. The primary concern raised is that a lot of time, resource and cost is being put into Modification Proposals that are not going to progress or are unlikely to be implemented. Equally, there are cases where Proposers are not engaged with the process and allow their proposals to effectively sit in stasis.

How can this issue be mitigated now?

The improvements recently introduced to the SEC modifications framework attempt to nullify this risk. The new Development Stage helps to ensure proposals are fully thought through and supported before they progress. Equally, requiring Change Board approval prior to incurring the cost of a DCC Impact Assessment seeks to prevent nugatory costs and effort during the Refinement Process.

However, these are preventative measures and can only go so far, especially since these rely on the Proposer acting on the views of the Change Sub-Committee or the Change Board. A Proposer is within their right to ignore the views of the wider industry and continue to progress their proposal to decision, even if it is clear it is not required, feasible or supported.

The Panel does have the power to set the timetable for a proposal's progression and could theoretically choose to progress a Modification Proposal to decision early. However, it is anticipated that any Modification Proposal whose solution is not fully developed and assessed would be viewed as incomplete, and so would be sent back by the Change Board or the Authority.

The Panel have noted Parties' frustrations and believe the issue should be explored further to see if further change around these provisions is merited.

How does this issue relate to the SEC?

The provisions for withdrawing Modification Proposals, including that this ability is limited only to the Proposer of the change, is set out in Section D.

What is the impact this is having?

Industry time and effort

A lot of time and effort is required by SECAS, the DCC and SEC Parties in assessing and developing solutions to Modification Proposals, including:

- Developing business requirements and solutions options;
- Developing the business case for change;
- Performing and reviewing DCC Assessments (with a cost associated with performing Impact Assessments);
- Attending Working Group sessions;
- Responding to consultations; and
- Preparing and reviewing documentation such as Modification Reports, business requirements and legal text.

As long as a Proposer wishes to proceed with their proposal, this work has to be completed in order to present a fully developed solution and accompanying assessment to the Change Board and the Authority for decision. This must happen even for proposals that are unlikely to be implemented. Consequently, SECAS and industry time and effort continue to be spent, along with any costs associated with a DCC Impact Assessment, resulting in costs being incurred to Users.

There is currently insufficient check-and-balance in the process to ensure that industry time and effort is being spent wisely. As long as a Proposer wishes to progress their proposal, the Panel is required to ensure that a suitable and robust assessment is carried out to develop the proposal for decision. This may result in SECAS and industry time and effort needing to be spent on a proposal unlikely to succeed that could otherwise be spent on other proposals that would provide benefit to Parties, incurring additional costs for Users for nugatory work.

What are the views of the industry?

Views of the DCC

The views of the DCC will be gathered during the Development Stage.

Views of SEC Parties

The views of Parties will be gathered during the Development Stage.

Views of Panel Sub-Committees

The views of Panel Sub-Committees will be gathered during the Development Stage.

Views of the Change Sub-Committee

The views of the Change Sub-Committee will be gathered during the Development Stage.

Initial views of the SEC Panel

it was noted that while the idea would be against the general principles of code modifications, some sort of backstop would be good, and the principles we laid out would provide sufficient safeguards against the Panel withdrawing mods unilaterally. Overall, Panel were supportive, and endorsed us finding a sponsor to raise a DP around this.