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## **MP076 ‘Pursuing Non-Payment in Events of Default’**

### **3 July 2019 Working Group Meeting**

#### **Meeting summary**

##### **Overview**

The Working Group meeting began with SECAS providing an overview of the modification.

##### **Proposed legal text**

When the SEC Panel considered this modification, they asked that if the draft legal text were to change during refinement, that the Working Group clarify where liability would sit if the Data Communications Company (DCC) were to ignore the Panel in the pursuit of non-payment. The Working Group did not have any comments on the draft legal text and the DCC were asked specifically for their views given they raised comments during the Change Sub-Committee. The DCC did not raise any comments or expand on their views.

The Proposer gave their views on the DCC’s comments and advised that they were surprised given they had discussed the proposed solution with the DCC during the Development Stage. The Proposer did not agree with the DCC’s point that the proposed solution could cause a conflict of interest by giving the Panel more control in the process of pursuing non-payment, as Panel members are acting on behalf of the Panel independently of their organisations and have a duty to act on behalf of industry. It was also noted that an Ofgem representative sits on the Panel, further ensuring that the Panel act in the best interests of all SEC Parties .

##### **Views on the modification**

###### **SEC Objectives**

The Working Group noted that the Proposer believed the modification benefited SEC Objectives (b<sup>1</sup>), (d<sup>2</sup>) and (g<sup>3</sup>) and no objections to this were made.

###### **Benefits and drawbacks**

The Working Group noted the benefits that had been identified by the Proposer and no objections were made.

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<sup>1</sup> To enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence.

<sup>2</sup> To facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.

<sup>3</sup> To facilitate the efficient and transparent administration and implementation of this Code.

## Path type

Ofgem noted the link between this modification and the DCC License and advised that some consideration needed to be given as to whether the modification should be Self-Governance or Authority Determined. SECAS advised that modification Path would be determined when the Modification Report is considered by the Panel. The Proposer, taking into account Ofgem's comments, requested that SECAS recommend in the Modification Report that the modification should be Authority Determined.

## Next steps

SECAS advised that the next steps will be to agree the legal text with the Proposer and to then issue a Refinement Consultation. The Working Group agreed with this approach.