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DP079 'Provisions for withdrawing modifications'

Problem statement – version 0.2

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 DCC commented that that this proposal does not impact the DCC total systems.

Views of SEC Parties

No Parties provided any comments during the Development Stage.

Views of Panel Sub-Committees

The Security Sub-Committee (SSC) commented that they had an interest on this subject and were happy for this to be explored.

The Operations Group expressed concerns that the modification could result in Parties 'shutting down' modifications through numbers. SECAS clarified that the purpose of this proposal is to help close modifications that are not progressing or are unlikely to progress. Rationale would have to be given for modifications proposed to be closed, and an appeals mechanism would be expected as part of any solution.

The Technical Architecture and Business Architecture Sub-Committee (TABASC) showed an interest in the issue and wanted to clarify who would have the power to withdraw modifications. In particular they wanted to know if the power would be extended to Sub-Committees. These points will be picked up as a solution is developed.

Views of the Change Sub-Committee

The Change Sub-Committee commented that this Draft Proposal would create a shift away from full Proposer ownership; however, this could be mitigated through the development of an appeal process.

One CSC Member queried if it was only the Proposer who can withdraw a modification or members of other Sub-Committees. It was noted that some guidelines would be needed on what can be withdrawn and who is authorised to do so.

It was queried whether this process was being developed with vexatious modifications in mind. The Proposer confirmed it was more around having a backstop for proposals that lack support or are no longer needed that subsequently stall within the process.

Members also considered that there could be a positive impact in terms of modification timescales and making sure change progresses on a timely basis. It was also mentioned that there could theoretically be a timeout on modifications that have been in stasis for a certain period of time. Ofgem commented that this could potentially be implemented into an existing process, such as the Panel's abilities to set progression timetables, as opposed to introducing an entirely new one.

Initial views of the SEC Panel

Panel members felt that, while the idea would be against the general principles of code modifications, some sort of backstop would be good. The principles SECAS laid out would provide sufficient

safeguards against the Panel withdrawing modifications unilaterally. Overall, the Panel were supportive of exploring this issue further.