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MP084 'Other User Panel Seating Amendment'

Modification Report Version 0.1

About this document

This document is the Modification Report for [MP084 'Other User Panel Seating Amendment'](#). It provides detailed information on the background, issue, solutions, costs, impacts and implementation approach. It also summarises the discussions that have been held and the conclusions reached with respect to this Modification Proposal.

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This document also has two annexes:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.
- **Annex B** contains the redlined changes to the SEC required to deliver the Alternative Solution.

1. Summary

Currently, the SEC Panel has two seats to be occupied by Other SEC Parties. However, because Other SEC Parties aren't always Other Users, this may lead to Other Users being underrepresented. It has been suggested that an Other User seat should be added to the Panel to ensure the Other Users are proportionately and fairly represented. If nothing is done, then it will result in potentially allowing Other Users to be underrepresented in Panel meetings.

The Proposed Solution proposes the two Other SEC Party seats will be split so there will be one Other SEC Party seat and one Other User seat on Panel.

The Alternative Solution proposes to add an additional seat for Other Users and retain the two existing Other SEC Party seats.

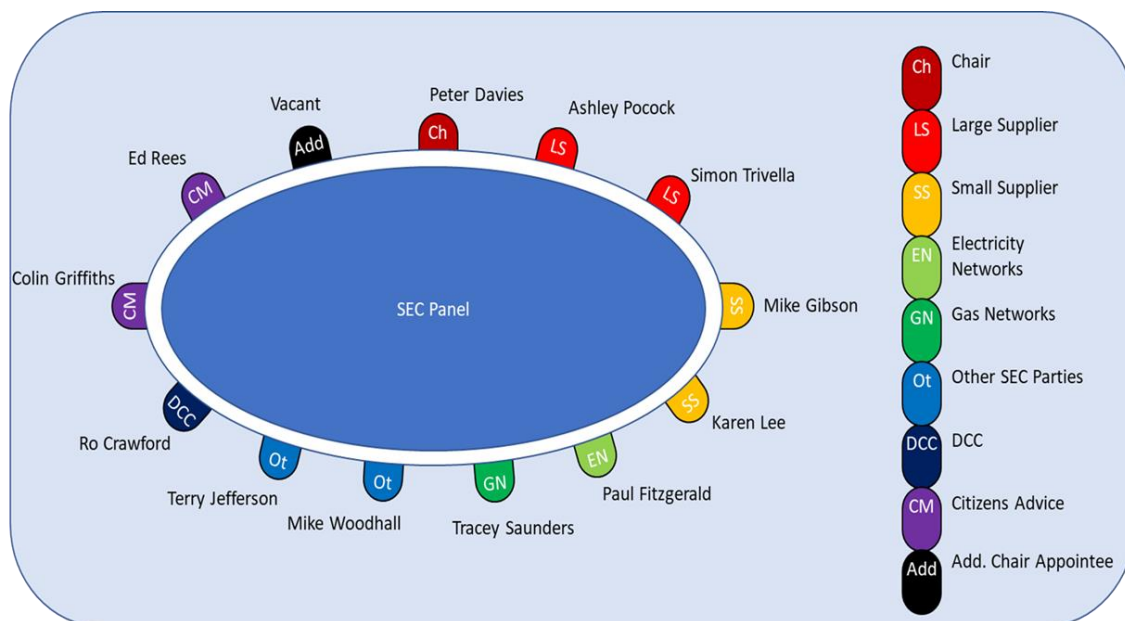
This modification will impact Other SEC Parties and Other Users. Costs will be limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort and implementation is recommended for the June 2020 SEC Release.

2. Background

How is Panel currently set up?

The Panel is currently comprised of a mix of elected and appointed representatives. The eight industry-elected seats on the Panel are allocated as follows in accordance with SEC Section C3.1:

- Two persons elected by Large Suppliers;
- Two persons elected by Small Suppliers;
- One person elected by the Electricity Network Parties;
- One person elected by the Gas Network Parties; and
- Two persons elected by Other SEC Parties.



There is a need to distinguish between Other Users and Other SEC Parties as the two have different roles in the SEC. Other Users are described as Users not currently acting in any of the other User Roles, even if they are a Supplier or Network Operator. By contrast, an Other SEC Party is defined as a Party that isn't a Supplier, Network Operator or the Data Communications Company (DCC).

What is the issue?

Currently, the SEC Panel has two seats to be occupied by Other SEC Parties. However, because Other SEC Parties aren't always Other Users this may lead to Other Users being underrepresented.

A SEC Panel questionnaire was issued in April 2019 and the outcomes discussed at SEC Panel in June 2019 to gauge opinion. It was suggested that an Other User seat should be added to the Panel to ensure the Other Users are proportionately and fairly represented. In order to ensure Other Users are fairly represented Other Users require a seat on the Panel.

3. Solution

Proposed Solution

Under the Proposed Solution, the two Other SEC Party seats will be split so there will be one Other SEC Party seat and one Other User seat on the Panel.

Alternative Solution

One Alternative Solution has been proposed. This would be to keep the two Other SEC Party seats and add an additional seat for Other Users.

Legal text

The changes to the SEC required to deliver the Proposed Solution can be found in Annex A. The changes to the SEC required to deliver the Alternative Solution can be found in Annex B.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
	Large Suppliers		Small Suppliers
	Electricity Network Operators		Gas Network Operators
✓	Other SEC Parties		DCC

Other SEC Parties will be impacted as if the Proposed Solution is approved they will lose a seat at Panel which will be allocated to Other Users.

DCC System

There are no DCC System impacts.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section C 'Governance'

Other industry Codes

This modification will not have an impact on any other Industry Codes.

Greenhouse gas emissions

This modification will not have an impact on Greenhouse Gas Emissions.

5. Costs

DCC costs

There will be no DCC costs to implement this modification.

SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

There will be no costs to SEC Parties to implement this modification.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **25 June 2020** (June 2020 SEC Release) if a decision to approve is received on or before 11 June 2020; or
- **05 November 2020** (November 2020 SEC Release) if a decision to approve is received after 11 June 2020 but on or before 22 October 2020.

The June 2020 SEC Release is the earliest SEC Release that this modification can be included in.

7. Discussions and development

How will splitting the Seats affect the Parties

The Change Sub-Committee (CSC) was supportive of the issue. One member stated that they wanted to understand what potential solutions were available. Two solutions were discussed:

- The first was to split the two existing Other SEC Parties seats into one Other SEC Party seat and one Other User Seat.
- The other was to introduce a new Other User seat and to keep the two existing Other SEC Parties seats.

One other CSC member enquired into who could use the Other User seats, suggesting a Party who sits in another category could try using the seat to increase the weight of their votes in a Panel vote. However, the Working Group considered that SEC Section C2.2(c) clearly states that Panel shall ensure the 'Code is given effect in a fair manner without undue discrimination between the Parties or any classes of Party'.

One member of the Working Group who was an Other SEC Party was concerned that keeping the same number of seats and changing one of the Other SEC Party seats would mean that an Other SEC Party could be de-seated. They were therefore in favour of adding an additional seat. The rest of the Working Group stated that they preferred to keep the number of seats constant and change one Other SEC Party Seat to an Other User seat.

One member asked about the original questionnaire sent to Panel members and if there was any information available regarding why it was felt Other Users were underrepresented. The respondent felt that in the original set up of the SEC it was not envisaged that there would be as many Other Users as there are currently and thought they should be given the opportunity to be represented.

The Proposer elected to take forward the option to split the existing two seats as their Proposed Solution. The Working Group recognised the merits of taking the other option forward for consideration, and so agreed to raise it as an Alternative Solution.

Who will the Other User represent?

One Working Group member asked if there was an association of Other Users. They queried if the Other User representative on the Panel would be able to represent the views of Other Users or if the Other User group were so disparate that the representative would only be representing themselves. The view of the Working Group was that although there are no such associations that the Working Group were aware of, SEC Section C2.2(c) clearly states that Panel shall ensure the 'Code is given effect in a fair manner without undue discrimination between the Parties or any classes of Party'.

Will this have other implications for the Sub-Committees?

A Working Group member pointed out that this under-representation is replicated through all the Sub-Committees not just at Panel and that this might prompt further discussions in the Sub-Committees around appropriate representation, however, the Working Group felt this was for the individual Sub-Committees to determine for themselves.

8. Conclusions

Benefits and drawbacks

The Proposer and the Working Group have identified the following benefits and drawbacks in implementing this modification:

Benefits

- Other Users will be adequately represented on the SEC Panel. As this will allow Other Users to input into the Panel governance of the SEC.

Drawbacks

- Under the Proposed Solution, Other SEC Parties will lose a seat at Panel (this would not be the case under the Alternative Solution). This would mean one member who currently sits on Panel would have to give up a Seat and that there would be less representation for Other SEC Parties.

Proposer's rationale against the General SEC Objectives

Objective (g)¹

The Proposer believes that MP084 will better facilitate SEC Objective (g) as all Parties will be adequately represented on the Panel. It is essential that all Parties to the SEC have input on the arrangements to ensure the SEC objectives are met.

Working Group members' views

The Working Group was supportive and believed that this Modification Proposal would address the concerns raised from the original questionnaire.

¹ Facilitate the efficient and transparent administration and implementation of the SEC

Appendix 1: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CSC	Change Sub-Committee
DCC	Data Communications Company
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat



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