

This booklet gives parties a plain English overview of the Smart Energy Code (SEC) Modification Process.

The Modification Process is outlined in **Section D** of the SEC, and explains how the SEC and SEC Subsidiary Documents can be modified.

Recent changes to the Modification Process

As described on page 7-8, Modification Proposals must be classified as urgent or non-urgent and must follow one of four Modification Paths: Authority-led, Authority-Determination, Self-Governance, or Fast-Track. Between 23 September 2013, when the SEC was introduced, and early 2016, the Modification Process was restricted to urgent Modification Proposals (of all Paths), and Fast-Track Modification Proposals. In early 2016, the Secretary of State (SoS) will activate non-urgent Path 2 (Authority-Determination) and Path 3 (Self-Governance) Modifications.

What is the SEC?

The SEC is the Code governing GB gas and electricity smart metering and access to the new centralised remote communications services via the **Data Communication Company (DCC)**.

The SEC is the first dual fuel code and sets out the DCC's Smart Meter communications service and specifies any other provisions to govern the end-to-end management of Smart Metering.

Gemserv has been appointed as the **Smart Energy Code Administrator and Secretariat (SECAS)** and is responsible for supporting the Panel in the operation and functions of the SEC, including providing impartial assistance and support to Parties.

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1. Transition SEC Arrangements for the SEC Modification Process

Section D of the SEC sets out the Modification Process where Parties can raise variations to the SEC and SEC Subsidiary Documents via a **Modification Proposal**.

All SEC Parties are entitled to raise Modification Proposals under the SEC, subject to certain requirements and constraints (SEC Section D1.3). The following other bodies can also raise Modifications:

- Citizens Advice and Citizens Advice Scotland
- Any person or body that may be designated in writing by the Authority
- The Authority (when necessary to comply with SEC Section D1.3(d))
- The Data and Communication Company (DCC) (at the discretion of the Authority)
- The Panel (when voting unanimously in favour of doing so)
- The Security Sub-Committee (SSC) or any SSC Member (SEC Section G7.20)
- The Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) or any SMKI PMA Member (SEC Section L1.19)

The Transitional provisions laid out in Section X of the SEC enable the majority of Modification Proposals set out under Section D. These include:

- **Non-Urgent Proposals (Path 2 and Path 3)**, which are Modification Proposals not considered urgent by the Proposer or by Panel.
- **Urgent Proposals** (SEC Section D4.6), which are Modification Proposals expressed by the Proposer as urgent and referred via the Panel, or initiated by the Authority, that the Authority directs may be treated as Urgent. For more information, please see the Authority's guidance on [Code Modification Urgency Criteria](#).
- **Fast-Track Proposals** (SEC Section D2.8), which are Modification Proposals raised and decided upon by the Panel, to correct typographical or other minor errors or inconsistencies.

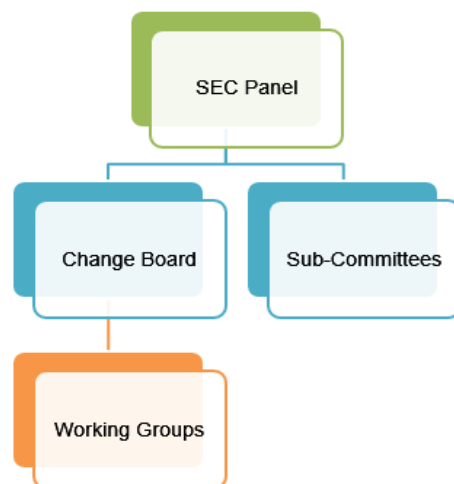


Figure 1: SEC Governance Structure

Variations to the SEC introduced by the Secretary of State

Variations to the SEC can be introduced by the SoS via Section 88 of the Energy Act or the relevant provisions in Section X of the SEC, DECC has developed a set of **Transition Governance Arrangements** to support the changeover of responsibility into the enduring governance functions. This includes the:

- **Smart Metering Steering Group (SMSG)** - Sets the strategy, provides direction and resolves significant escalated issues.
- **Smart Metering Delivery Group (SMDG)** - Resolves issues escalated by TBDG and IMF, agrees action plans, and drives programme.
- **Technical and Business Design Group (TBDG)** - Manages end-to-end solution and manages design baseline change.
- **Transitional Security Expert Group (TSEG)** - Provides a working level expert forum to pro-actively manage security risks, amend security requirements, and oversee security assurance.
- **Transitional SMKI Policy Management Authority Group (TPMAG)** - Develops the Smart Metering Key Infrastructure and the SMKI Document Set, prior to inclusion in the SEC.
- **Regulatory Group (RG)** - Develops regulatory instruments (e.g. Licences and Codes), ensuring alignment between regulatory and design documentation.
- **Implementation Managers Forum (IMF)** - Manages programme planning Progress, and assures delivery to time, cost, and quality.

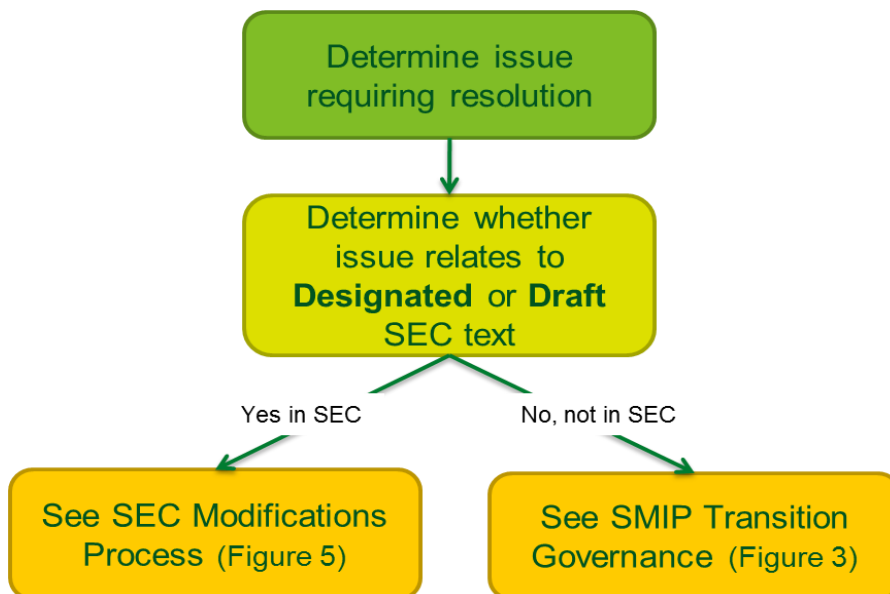


Figure 2: Raising Modification during Transition

- **Test Design and Execution Group (TDEG)** - Established by the DCC as the primary vehicle for discussion on the coverage of the testing products via a series of design forums.
- **Benefits Monitoring and Review Group (BMRG)** - Developed the tools to ensure that key enablers have been developed for the delivery of the benefits within the Impact Assessment and tools to monitor costs and delivery of benefits.
- **Operational Delivery Group (ODG)** - Has identified and resolved issues that will impact ability to install smart meters.
- **Foundation Strategy Group (FSG)** - Developed the regulatory arrangements for enrolment and the adoption of foundation meters and dealing with drafting of future versions of the SEC.

Please note that consideration of issues regarding the SEC at these Transition Groups is at the discretion of DECC.

A high-level overview of the Transition Governance Arrangements for the SEC Modifications Process is detailed in Figure 2. If you have any queries relating to these arrangements, please contact us at the [SECAS Helpdesk](#).

Figure 3 shows a simplification of the governance for some of these groups, and how stakeholders may raise **issues**.

If you have any issues on any of the DECC Transition documents then please contact the SMIP Change helpdesk at: SMIP.Change@decc.qsi.gov.uk.

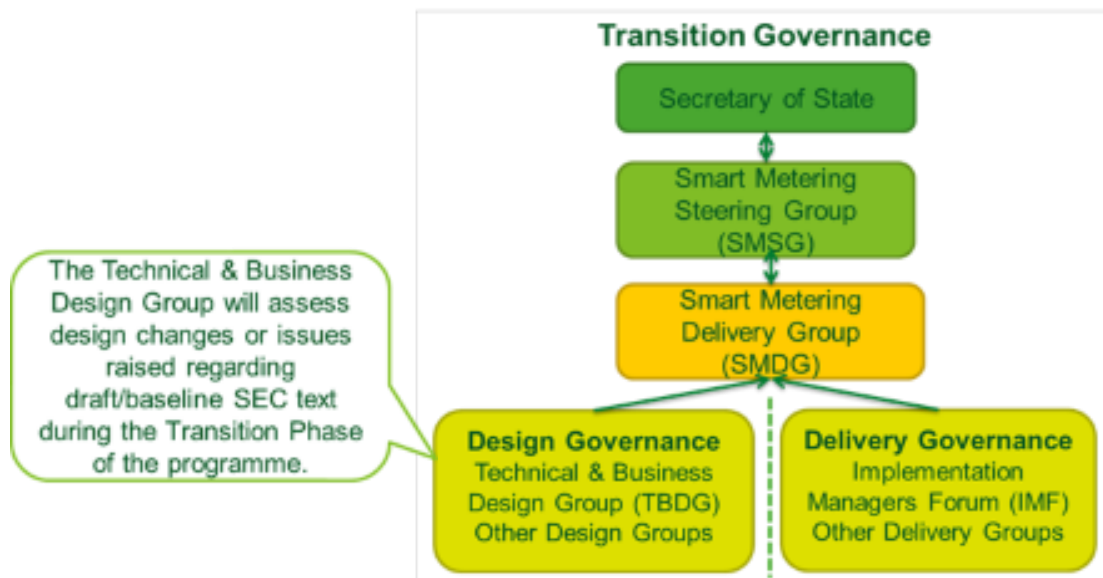


Figure 3: DECC Transition Governance

Issues arising from Testing

The Programme is in the design, build and test phase and DECC have proposed specific test stages. In terms of SEC Parties, their involvement in testing arises during User Entry Process Testing and [SEC Sections H14.37-H14.45](#) set out the process for resolving issues identified during testing.

If you identify an issue in testing, but you disagree with the DCC's proposed resolution, then you can escalate this by raising an [appeal](#) to the SECAS Helpdesk.

The appeal would be raised at the next Panel meeting, where the Panel would review the validity of the appeal and determine the correct appeal route. Note some appeals will be escalated directly to the Secretary of State as set out in the [Testing Related Appeals during Transition](#) guidance

If the Panel determine the appeal is related to non-Designated SEC text, then the issue would be progressed to DECC for resolution. If the appeal is related to SEC Designated text, then the SEC Panel will provide an initial determination on the remediation of the issue raised, which may include raising a [SEC Modification Proposal](#) or [raising the concern](#) with the Authority.

This process is applicable to various participants throughout the testing stages, including:

- Registration Data Providers during Systems Integration Testing;
- Each Party participating in Interface Testing; and
- Each Party participating in SMKI and Repository Testing.

A high level summary of the process is shown in Figure 4. This is expected to be finalised during the response to the consultation.

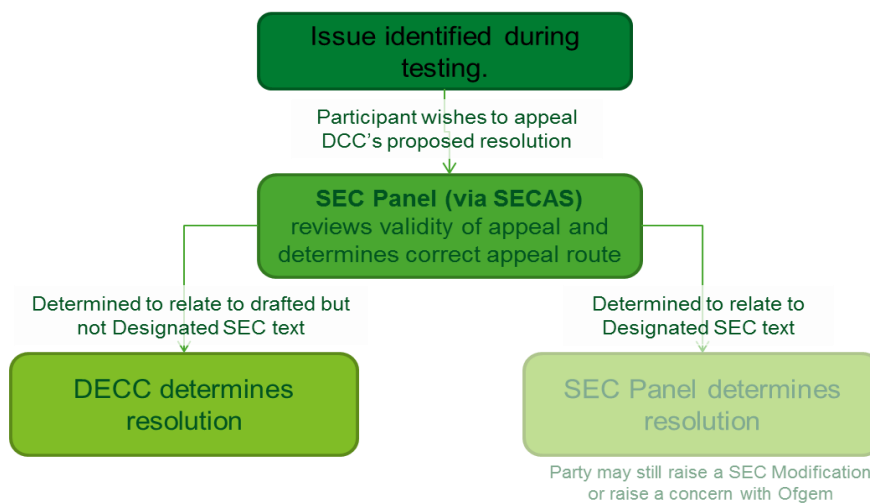


Figure 4: Panel role for issues arising during Testing

2. Modification Proposals

A Modification Proposal is used to request a specific variation over the lifecycle of the SEC

What is the process for raising a Modification Proposal?

The [Modification Proposal template](#) can be located on the Modification page of the Website.

If you require any assistance when completing the Modification Proposal form, you can contact the SECAS Helpdesk for guidance. See Section D1.7 sets out the requirement of the proposal form.

On receipt of a Modification Proposal, we will validate the contents before an **Initial Modification Report (IMR)** is compiled for the Panel, to enable them to undertake their initial consideration of the Modification Proposal. An IMR will be produced by an assigned analyst. The IMR will then be included on the agenda for the next available Panel meeting. Panel meeting is held every second Friday of the month. The Panel is required to consider Urgent Proposals within **5 Working Days** of submission. The Panel may consider proposals, particularly Urgent Proposals, by an ex-committee meeting.

Please note that the **Proposer** can withdraw the Modification Proposal at any point in the Modification Process up until submission to the **SEC Change Board**, by contacting the SECAS Helpdesk. However, if the Proposer wish to withdraw Path 1 Modifications, the Proposer will have to provide evidence that the Authority has given consent to such withdrawal. SECAS will notify Parties of the withdrawal. Where within 10 working days of the withdrawal notice SECAS received notification from a Party who wants to adopt that Proposal, the Party will then be deemed to be the Proposer of that Modification Proposal. If no adoption request is received within the 10WD window the modification will be marked as closed.

What are the Modification Paths?

When completing a Modification Proposal form, the Proposer must select the path they believe the Modification Proposal should follow. Figure 5 sets out each of the four **Modification Paths** in Section D and their status in the Transition phase from early 2016.

Modification Paths	Active Paths	Inactive Paths	Path description
Path 1 Authority-Led	Urgent	Non-urgent	Arising from Significant Code Reviews or submitted by the Authority (or by DCC at direction of Authority)
Path 2 Authority Determination	Urgent	Non-urgent	Material effect on consumers, competition, data, security, privacy, governance, or discriminates between parties.
Path 3 Self Governance	Urgent	Non-urgent	Neither of the above
Path 4 Fast-track	Urgent	Non-urgent	Correct typos / minor inconsistencies

Figure 5: Active Modification Paths during Transition (in Green)

What is the process for an Urgent Modification Proposal?

If you believe the Modification Proposal is Urgent, you may request a shortened Modification Process and/or implementation period to the Panel, by stating this on the Modification Proposal form submitted to the SECAS Helpdesk. SECAS will then present the Modification Proposal to the Panel for consideration as an Urgent Proposal.

The Panel will assess the Urgent Proposal and if the Panel agrees it is urgent, the Panel shall make a request to the **Authority** to determine if the Modification Proposal shall be treated as Urgent. A Modification Proposal is only deemed –Urgent when agreed by the Authority.

If you disagree with the Panel's decision, you can refer the matter to the Authority for determination within **10 Working Days** of being notified of the matter by SECAS.

If the Authority informs the Panel to treat the Modification Proposal as Urgent, the Authority may specify an appropriate **progression timetable** for the Modification Proposal. The Panel shall then determine a timetable consistent with the one issued by the Authority, and specify a date when the Modification Report shall be finalised before it is issued for industry consultation. The Urgent Proposal will be issued by SECAS to Parties and interested stakeholders for industry consultation under the **Modification Report Consultation**, in line with the implementation timetable specified by the Authority.

If the Authority does not agree that the Modification Proposal is Urgent, SECAS will inform the Proposer. The Modification Proposal will then be treated as a non-urgent Proposal.

What is the process for a Fast-track Modification Proposal?

Fast-Track Modification Proposals may be raised by the Panel if it considers it necessary to correct a typographical error or minor inconsistencies with the SEC.

Fast-Track Modification Proposals do not require **Modification Reports** and do not follow the **Refinement Process** due to their non-material nature (see Section 3: Refinement Process for more information). In addition, the decision to approve a Fast-Track Modification Proposal is based on the Panel's resolution to approve or withdraw it.

The Panel's resolution is viewed as final. However, if you believe this is inappropriate then you can raise this to the Panel for further consideration, within 10 Working Days of the Panel's decision. If you still do not agree with the Panel's conclusion, then an **appeal** can be raised to the Authority within 10 Working Days of being notified of the matter by SECAS.

What is the process for non-urgent Path 1, 2, and 3 Modification Proposals?

They will follow the process involving the steps set out across pages 8—15.

3. Refinement Process

The SEC Panel may determine a Modification Proposal requires further development in line with SEC Section D3.9 and the purpose of the **Refinement Process** set out in SEC Section D6.8. If so, a **Working Group** will be established to facilitate a thorough analysis of the Modification Proposal across all Parties and the relevant SEC Sub-Committees (if applicable).

The Proposer of a Modification Proposal will retain ownership of it through its **lifecycle**, but the Refinement Process allows Parties to discuss the Modification Proposal and any Alternative Proposals through Working Group discussions.

What happens at the Working Group?

Following agreement by the Panel that the Modification Proposal will follow the Refinement Process, we will distribute the **Terms of Reference (ToR)** to invite nominations for attendees to the identified composition of the Working Group.

If you wish to participate in the Working Group, you must submit your intent in writing to the SECAS Helpdesk. We will keep a record of these nominations to help source specialist individuals for future Working Groups.

The **Chair** of the Working Group will be selected from and by the Working Group and could be a member of SECAS. The Chair's role is to support the Working Group in meeting the objectives of the Refinement Process.

If a Modification Proposal impacts on areas within the scope of responsibility of the Panel's Sub-Committees, SECAS will seek the relevant Sub-Committee's views. For example:

- **Technical Architecture and Business Architecture Sub-Committee** for proposals to modify the Technical Specifications or affect the End-to-End Technical Architecture;
- **SSC** for proposals to modify the Security Assurance Arrangements; and
- **SMKI PMA** for proposals to modify the SMKI SEC Documents.

If the proposed solution is to have an impact on the DCC end-to-end systems, we will update the DCC to ensure any analysis on the costs to **Central Systems** can be collated and considered by the Working Group.

SEC Sections D6.3 sets out the requirements to establish a Working Group.

We will issue a Working Group consultation for wider stakeholder feedback in line with the Working Group's discussions. Following this, a **Consultation Summary** report will be compiled which will include:

- The final consultation draft of the Modification Proposal;
- All responses to the consultation; and
- A statement of whether the Working Group considers the approval of the Modification Report would better facilitate the achievement of the **SEC Objectives**.

The Consultation Summary will be available on the relevant Modification Proposal page on the SEC website, in addition to any meeting notes and relevant SECAS contacts.

What if I have an alternative proposal to the solution?

An **Alternative Proposal** may be raised if one or more other Parties have a parallel Modification Proposal that seeks to address the same issue via a different solution. In this instance, the Panel will direct the Modification Proposals to be considered by the same **Working Group** under the Refinement Process.

In addition, under the Refinement Process **Alternative Proposals** may arise in one of two ways:

1. If the majority of the Working Group in the Refinement Process consider there is more than one variation to the SEC that would achieve the purpose of the Modification Proposal, then the Working Group may decide to submit more than one proposed variation to be included in the Modification Report and then highlight their preferred variation.
2. If the Proposer, or the person appointed to the Working Group to represent the Proposer, objects to the proposed variation(s) to the SEC preferred by the majority of the Working Group, then this person can insist that their preferred variation is included in the Modification Report as an Alternative Proposal.

We will ensure the source and preference of any Alternative Proposals put forward by the Working Group or Proposer are clearly communicated to Parties in the relevant consultations and ensuing Modification Reports.

4. Modification Report Phase

Following the work under the Refinement Process, we will submit a Modification Report in the form of a **Working Group Assessment** to the SEC Panel.

On receipt of the Modification Report, the Panel shall determine whether any further assessment is required by the Working Group or if the Modification Proposal can be issued for consultation. The Panel Sub-Committees will support and provide advice to the Panel where necessary.

What is a Modification Report?

Modification Reports are produced at key stages in the process, as shown in Figure 6. **Modification Reports** will be produced for all Modification Proposals, apart from Fast-Track proposals.

The content of a Modification Report for each Modification Proposal shall include:

- The Outcomes of either analysis undertaken by SECAS or the Working Group in the Refinement Process, including any Alternative Proposals;
- Any applicable **Pre-Change** or refinement **Consultation Summary**;
- A summary of any views provided by the relevant Sub-Committees; and
- Any other relevant information based on SEC D7.3.

In addition, information on other affected codes will be included and whether the Modification Proposal has any impact in terms of changes to DCC documentation, SEC Party business processes, or ongoing SECAS operations.

A **Cost-Benefit Analysis** may also be included in the Modification Report. This will depend on whether impacts have been identified on SEC Parties and the need to evaluate the costs and benefits. Additionally, if the Modification Proposal requires any changes to the DCC Systems, User Systems and/or Smart Metering Systems, any associated costs with implementation of the change would be included in the Modification Report, in line with SEC Section D7.3(f).

Once we have completed the Working Group Assessment report, we will place the Modification Report on the agenda of the next Panel meeting. The Panel will determine if further assessment is required by the Working Group or whether the Modification Report can proceed to the **Report Phase Consultation**.

What happens at the Modification Report Consultation phase?

If the Panel decide the Modification Report can proceed to industry consultation, they will agree a suitable consultation period where a **maximum of 15 Working Days** applies, in line with SEC Section D7.7(a). We will then prepare the **Draft Modification Report (DMR)** so that Parties can clearly understand and evaluate the Modification Proposal, which will be issued for consultation.

Our contact details will be available in the DMR if you require any guidance when submitting your response. Information on all Modification Proposals at all stages can be found on the SEC Website Modification webpage.

Upon closure of the consultation, we will collate all responses and summarise these in the **Final Modification Report (FMR)**. The full responses (subject to confidentiality), will also be appended to the FMR.

The FMR will then be added to the agenda for discussion at the next **Change Board**.

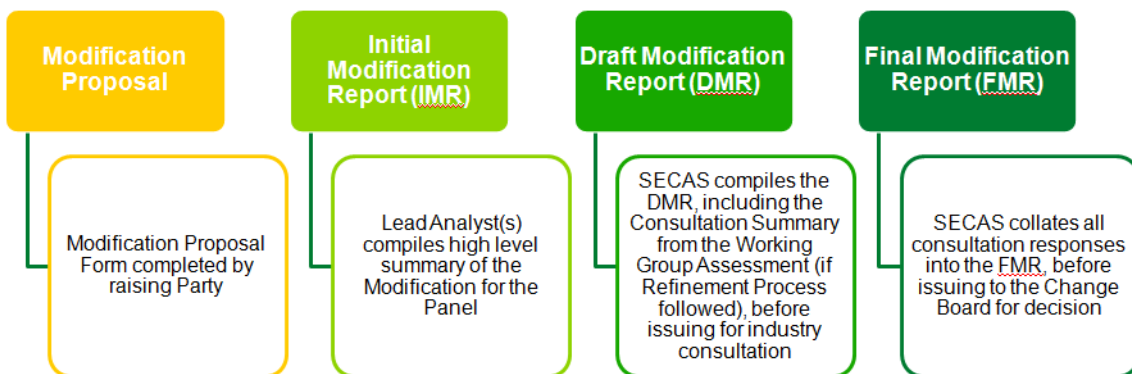


Figure 6: SEC Modification Reports

5. SEC Change Board

The **SEC Change Board (Change Board)** includes representation from all **SEC Party Categories (Large Suppliers, Small Suppliers, Electricity and Gas Network Operators and Other SEC Parties)** as well as a **Consumer Member and a DCC (non-voting) representative**, and will meet regularly.

The Change Board will:

- Review the responses to the **Modification Report Consultation**;
- Vote by majority on whether the Modification Proposal should be accepted or rejected; and
- Provide a recommendation to the Authority or send it back to the Panel.

The Change Board function is set out in Section D8.2.

How does the Change Board vote on Modification Proposals?

The Change Board's decision should be guided by the responses to the **Modification Report Consultation** given by Parties. Clarity should be sought where responses are unclear.

The Change Board Members may recommend that the Panel consider returning the Modification Proposal to the Working Group for further clarification.

If the Change Board votes in majority to approve or reject a Modification Proposal or an Alternative Proposal, then each Member must provide a reason on why it does or does not **better facilitate the achievement of the SEC Objectives**. We will ensure each Change Board Member's vote and reasoning is recorded and the Modification Register is updated.

For Path 1 or 2 Modifications, we will notify the Authority of the Change Board recommendation. This notice will include the FMR, a summary report detailing the Modification Report Consultation including responses received and the outcome of, and reason given, during the Change Board.

What if I disagree with the Change Board's decision?

If you disagree with the Change Board's decision, you can appeal to the Panel and/or the Authority, but it must be within **10 Working Days** of the publication of the decision.

6. The Authority

As of early 2016, the SoS will make the final decision for Path 2 (and appeals on Path 3)-Modification Proposals. Under the enduring regime, the Authority will take on this responsibility. The Authority retains responsibility for determinations on Urgent Modifications.

If the **SoS (or Authority)** is unable to form a decision on a Modification Proposal, it has the power to send the Modification Proposal back to the Panel. In this case, she will provide a direction of additional steps she requires before forming an opinion.

Additionally, if a Party **appeal** a Change Board and/or Panel decision then this will go to the **SoS** for the final say. The **SoS** will conduct her own process and once a decision is made, we will communicate the outcome to SEC Parties and interested bodies.

7. Modification Register

Our website includes a link to the [Modification Register](#). This is a standalone register containing information on all the Modification Proposals raised, past or present.

What information can I find on the Modification Register?

The register contains specific information on each Modification Proposal, such as:

- The Proposer;
- Summary of Modification Proposal;
- High-level details provided on the original form;
- Any relevant links to the dedicated webpage for each Modification Proposal; and
- Each Change Board Member's vote and reasoning.

All information relevant to the Modification Proposal, such as the original proposal, reports, consultations and Working Group papers and minutes, will be accessible via the [Modification webpage](#). This webpage will provide a lifecycle view of the Modification Proposal.

8. The Enduring Pre-Change and Modification Process

At a date to be determined by the Secretary of State, Section X of the SEC will no longer be relevant and the SEC Modification Process set out in Section D will become fully active.

We envisage the SEC Modification Process to also transition to a process where **Issues** can be raised and discussed under a Pre-Modification process.

The CACoP includes a principle which requests that Code Administrators support processes which enable users to access a 'pre-Modification' process to discuss and develop Modifications. The Pre-Change process will be further developed through discussions with the Change Board.

The **full Change Management Process** will be brought into effect at a future stage and this guide will be updated at that time. An overview of the Change Management Process is illustrated in Figure 7.



Figure 7: Overview of the Management Process

9. Code Administration Code of Practice

The SEC Modification Process and associated templates have been developed in line with the Principles of the **CACoP**.

These Principles were established by industry to facilitate convergence and transparency in Modification Processes, to help protect the interests of small market participants.

10. Glossary

Acronym	Definition
CBA	Cost Benefit Analysis
Change Board	SEC Change Board
DMR	Draft Modification Report
FMR	Final Modification Report
IMR	Initial Modification Report
Panel	SEC Panel
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SSC	Security Sub-Committee
TSC	Technical Sub-Committee
WD	Working Day