

SEC Section Z provisions concern:

- SEC Parties (Relevant Suppliers)
- SEC Panel
- Data and Communications Company (DCC)
- The Authority
- Secretary of State

What Does Section Z cover?

Section Z sets out the **Alt HAN Forum Objectives** and arrangements including the **Alt HAN Company**, the **Forum Sub-Groups**, the role of the **Alt HAN Secretariat** and the **Alt HAN Costs and Budget**.

Alt HAN Forum Objectives

The Alt HAN Forum has been established to undertake the duties set out in Section Z. The Forum shall always act to achieve the **Forum Objectives** that set out that:

- Relevant Supplier Parties are to comply with their obligations under the Electricity Supply Licence and Gas Supply Licence.
- Alt HAN arrangements are given effect so as to:
 - Facilitate economic and efficient provision of Alt HAN Activities and Services;
 - Facilitate competition between Commercial Activities connected with the Supply of Energy;
 - Ensure customer experience consistent with their expectations; and
 - Ensure all activities in terms of installation, operation, maintenance, removal and replacement is carried on in a fair and appropriate manner
- Forum conducts its affairs in an open and transparent manner

Forum Functions

The Forum shall:

- Make decisions required to carry out Alt HAN Activities and Services;
- Delegate and give direction to AlthANCo and any Forum Sub-Group where appropriate;
- Approve AlthANCo's annual budget;
- Determine any appeals made to it from decisions made by AlthANCo or a Forum Sub-Group; and
- Make other decisions as required in accordance with the provisions of Section Z.

Forum Powers

The Forum has the power to do anything necessary for the fulfilment of its functions under Section Z by:

- Making representations in relation to any Modification Proposal that is likely to affect Section Z, provisions relating to the Alt HAN charges in Section K or other parts of the code that may have material effect on the Alt HAN arrangements;
- Appointing and removing professional advisers;
- Consider, approve and authorise the entering into by AlthANCo of contracts; and
- Do anything else necessary for the fulfilment of its functions under this Section Z.

Forum Membership

Each Relevant Supplier Party shall nominate a single representative (**Forum Member**), in writing, to the Alt HAN Secretariat. A Forum Member may vote on behalf of any two or more Relevant Supplier Parties.

The Forum Members shall elect a **Forum Chair** and **Alternate Chair** by a majority vote of Forum Members. The Forum Chair may be compensated for performing their role at such a rate as determined by the Forum. The Forum Chair shall preside at every meeting of the Forum and, if he or she is unable to attend any meeting, shall ensure that the Alternate Chair attends the meeting to act as Forum Chair.

The Forum shall meet as often as necessary to perform its functions (at least once every two months). A Forum Member is entitled to vote at the Forum. All decisions of the Forum shall be by resolution. Subject to Section Z1.13, in order for a resolution of the Forum to be passed at a meeting, a weighted majority of Forum Members present at that meeting must vote in favour of that resolution. This is called a **Supplier Weighted Vote**.

Supplier Weighted Votes

Each Forum Member shall be entitled to exercise a number of votes corresponding to the aggregate of the Supplier Weighted Votes of the Relevant Supplier Parties which that Forum Member represents. Sections Z1.28-Z1.30 describe the formulae used to calculate the Supplier Weighted Vote.

Forum Sub-Groups

The Forum may establish committees (**Forum Sub-Groups**) for the purpose of assisting the Forum's duties. Each Forum Sub-Group shall be comprised of **Forum Sub-Groups Members** of suitable experience.

Terms of Reference and Procedure of Forum Sub-Groups:

- The Forum shall set out duties, powers and functions of each Forum Sub-Group;
- Forum Sub-Groups are to follow the Terms and References established by the Forum; and
- Any resolution of a Forum Sub-Group shall have a binding effect as a decision of the Forum

Appeals from Decisions of a Forum Sub-Group

- A **Relevant Supplier Party** may appeal to the Forum any decision of a Forum Sub-Group which otherwise has binding effect as a decision of the Forum.

Appeals from Decisions of the Forum

- A Relevant Suppliers Party may appeal to the Authority any decision of the Forum where it is inconsistent with the Forum Objectives. However, the Authority shall have the final and binding decision including the power to quash, remit or substitutes its own decisions for that of the Forum.

The Alt HAN Company

AltHANCo has been established as a corporate vehicle to the business of the Forum. AltHANCo shall be in accordance with the Forum's objectives, duties and powers with the provisions of this Section Z.

All decisions on behalf of AltHANCo shall be made by the board of directors of AltHANCo (the **Board**).

The Board shall consist of no fewer than three **Board Members** and each person elected as a Board Member must confirm in writing to the Alt HAN Secretariat. One Board Member shall serve as the AltHANCo **Chair**. Board meetings shall be held as frequently as the Chair may direct.

The Board shall produce and submit to the Forum a draft document setting out the election process called the **AltHANCo Election Protocol**.

A Relevant Supplier may appeal to the Forum any decision of the Board by notification to the Alt HAN Secretariat within 20 Working Days of the date on which the board made the decision.

Alt HAN Secretariat

The AltHANCo shall, from time to time, appoint and remove, or make arrangements for the appointment and removal of, one or more persons to be known as the **Alt HAN Secretariat**. AltHANCo shall ensure that the Alt HAN Secretariat undertakes its functions.

Alt HAN Secretariat shall:

- Support Board Member elections in accordance with AltHANCo Election Protocol;
- Support the voting of Forum Members in accordance with the Forum Voting Protocol;
- Provide support to the Forum, any Forum Sub-Group and Board as required; and
- Provide or procure such facilities and services in connection with the operation of the Forum, any Forum Sub-Group and Board respectively as required.

The Alt HAN Secretariat may be appointed to carry out the role of Code Administrator and/or the Secretariat.

Alt HAN Costs and Budgets

The costs and expenses incurred by the Forum shall be incurred by AltHANCo under Section Z4 (**Alt HAN Costs**), and the recovery of costs and expenses shall be submitted to the Board for approval. The Board shall prepare and circulate the **Draft Alt HAN Budget**, and the DCC shall provide AltHANCo with the necessary funds provided they are in accordance with the Forum **Approved Alt HAN Budget**. The draft budget sets out the Board's estimate of the Alt HAN Costs that it anticipates to incur and details how the estimate is composed based on the total costs and expenses. This budget is provided to the DCC no later than 1st December on the year prior to the commencement of the first Regulatory Year to which that Approved Alt HAN Budget relates.

The Board shall prepare and circulate **Draft Alt HAN Charging Data**, which is information in respect of the Explicit Charges for Alt HAN Equipment. The information referred to in this Section is the Board's best estimates of Alt HAN Equipment. The Draft Alt HAN Charging Data in such form that is approved by the Forum shall be the **Approved Alt HAN Charging Data**.

The Forum shall ensure that a database of Alt HAN Equipment (the **Alt HAN Inventory**) is maintained. The Board shall provide this information to the DCC each month.

Alt HAN Costs and Budgets (cont'd)

Report

A report on the Alt HAN Costs incurred is produced and circulated to the Relevant Suppliers Parties, the SOS and the Authority on request each year.

Audit

The Board shall arrange an audit on an annual basis and the auditor's report shall be circulated to all Relevant Supplier Parties.

Transitional Provisions

Where a Relevant Supplier Party had nominated a representative for the Forum, prior to the force of this Section Z, the person so nominated shall be treated as being a Forum Member on the date on which this Section Z comes into force.

A **Transitional Decision** is where a decision was made prior to the force of this Section Z. In that case, the decision shall be treated as a decision of the Forum made on the date on which this Section Z comes into force. Making a Transitional Decision shall not prevent the Forum from making contrary decisions on or after the date on which the Section Z comes into force, in which case the later decision shall prevail. No decision that was made by any Forum Sub-Group Members in any meeting prior to this Section Z coming into force shall be treated as having any binding effect.

A Transitional Decision shall be capable of appeal and provisions of Section Z1.61 to Z1.67 shall apply as they do to any other decision of the Forum.

Where a decision was made by the Board prior to Section Z coming into effect, the decision shall be capable for appeal and shall be treated as if it were made on the date of which this Section Z comes into effect.

Disclaimer

These guides are intended to provide a simple overview of the SEC and any supporting or related arrangements and do not replace or supersede the SEC or these related arrangements in any way. The author does not accept any liability for error, omission or inconsistency with the SEC.

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