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## SEC Modifications Process Review Industry Workshop

27 January 2021, 10:00-14:30

### Workshop summary

#### Attendees

Attendee	Organisation
Ali Beard	SECAS ( <i>Chair</i> )
David Kemp	SECAS
Joe Hehir	SECAS
Abi Hermon	SECAS
Charlotte Semp	DCC
David Walsh	DCC
Remi Oluwabamise	DCC
Jonathan Coe	Ofgem
Ed Rees	Citizens Advice
Simon Trivella	British Gas
Sarah Owen	Eclipse Power
Olga Goc	Ecotricity
Tristan Fowler	Ecotricity
Tim Larcher	E.ON
Alex Hurcombe	EDF Energy
Daniel Davies	ESG
William Wilson	Global 365
Katarzyna Harmer	Npower
Emslie Law	OVO Energy
Mahfuzar Raman	Scottish Power
Rachel Norberg	Utilita
Gareth Evans	Waters Wye Associates
Gemma Slaney	Western Power Distribution

#### The previous review

The Smart Energy Code Administrator and Secretariat (SECAS) previously out a review of SEC Section D 'Modifications Process' at the beginning of 2018. Three modifications were raised and approved as a result:

- [SECMP0049 'Section D Review: Amendments to the Modification Process'](#) introduced the Development Stage, created the Change Sub-Committee (CSC) to review Draft Proposals

and required the Change Board to approve the costs of Data Communications Company (DCC) Impact Assessments.

- [SECMP0050 'Section D Review: Moving the Working Group Terms of Reference to a separate document'](#) moved the details of how Working Groups operate to a Panel-owned document.
- [SECMP0051 'Section D Review: Amendments to the Fast Track Modification process'](#) streamlined the process for Fast-Track Modifications.

Some changes that had been proposed under this review had, following subsequent discussions, not been taken forward. These included:

- Allowing the Change Board to make material changes to the legal text following Modification Report Consultation (MRC) comments without sending the Modification Report back.
- Introducing the power for the Panel to close stalling modifications – this was subsequently raised under [MP079 'Provisions for withdrawing modifications'](#), which was ultimately rejected.
- Progressing a modification to decision on the basis of a DCC Preliminary Assessment if there was no support for requesting the Impact Assessment – Ofgem had commented at the time that such a report would likely be deemed incomplete and so would be sent back.

To support the current review, SECAS issued a request for information (RFI) in October 2020 seeking views on different areas across the end-to-end framework. The full responses are available in the workshop materials pack.

SECAS summarised the feedback it received on the changes made under the previous review (question 1). Respondents had generally felt the previous changes had delivered benefits, but there was more that could be done to further streamline the framework and deliver further efficiencies.

SECAS summarised the questions that the Panel had agreed be investigated under this review, noting this was to be a wider, more holistic review than the last one.

## The modifications framework

### Oversight of the framework

In its RFI, SECAS sought feedback on whether the management of the framework could be consolidated (question 2). Respondents felt there would be benefit in consolidation and considered if the Panel could delegate its role. Each group involved needs to have a clearly defined role.

SECAS proposed to enhance the CSC's role and for the Panel to delegate to it the end-to-end oversight of modification progression. This would allow modifications to be considered by a dedicated group who are better placed to make decisions and provide consistent oversight.

An attendee queried what SECAS meant by 'greater expertise', and whether this meant the same people, but with more time or if members were expected to have more detailed expertise of the changes. SECAS clarified that it considered the CSC would be better placed to make decisions than the Panel.

Another attendee asked if SECAS was proposing more rigour at the start or at the end of the framework. They could see what SECAS is trying to achieve but wasn't sure if this is the right approach.

An attendee who sits on the CSC noted their understanding is that they are involved in the day-to-day lower level daily activities, and that CSC members may have a deeper knowledge. Where needed, the CSC already seeks advice from the relevant Sub-Committees.

### **Proposed stage gate criteria**

SECAS also presented a set of 'Stage Gate criteria' which would be applied at the end of the Define Stage and the Refine Stage to ensure the Modification Report was sufficiently complete at each point.

An attendee queried if this meant the Panel would be able to close modifications that didn't meet the criteria, noting this had been a contentious point under MP079. SECAS clarified this was not the intent, and that it was intended to provide a checklist for the Panel to use at the end of each stage. There will be no additional governance steps or decision points, especially for CSC. This is about enhancing the current decision milestones, not creating additional checkpoints or bureaucracy.

An attendee noted it is not always possible to find a solution in the Refine stage. Some DCC costs are unjustifiable and no matter what the benefits are, such changes cannot be progressed.

An attendee considered the Modification Report needs to highlight clearly what has not been fully addressed and what the risks are at each progression stage. Another attendee noted the example of the dependency of some solutions on Communications Hub firmware changes, which are deployed outside the modification's release. Examples like this must be clearly drawn out in Modification Reports.

### **Making the final decision**

SECAS summarised the responses it received to its question about how final decisions should be made (question 12). There was little support for any change, with respondents feeling the Change Board should continue to make the final decision or recommendation on modifications.

SECAS proposed retaining the Change Board for the final vote, noting keeping this separate to the Panel/CSC would allow the group overseeing the governance to remain compact.

SECAS did propose allowing members who can't attend in person to submit a vote in writing before the meeting. Attendees were concerned with this approach, noting that participation in Change Board discussions may have led to that member subsequently changing their mind. Submitting votes in advance could also allow absentee members to effectively veto changes by continually submitting votes to reject. An attendee queried how SECAS would know the person submitting the vote had done so independently or had been influenced by their organisation. Overall, attendance at Change Board has been strong, and achieving quoracy has not been an issue.

Attendees suggested allowing members to appoint more than one alternate. An absent member could also be allowed to appoint another member as a proxy, which does happen under other Codes. SECAS agreed to explore these options further.

### **Business requirements and solution development**

SECAS summarised the RFI responses received around the development of business requirements (question 3). Many respondents wanted to allow for optional requirements and for these to be prioritised but were mixed on the level of detail needed. Early DCC involvement is needed and greater support from SECAS. Clarification is also needed on who agrees the requirements.

SECAS also summarised the views around how Sub-Committees should input (question 4). More groups inputting adds complexity, but their expert views are essential. There was concern Sub-Committees don't have time to input, and noted clear questions are required. The Technical Architecture and Business Architecture Sub-Committee (TABASC) should be involved earlier to help shape requirements.

An attendee noted that the SEC is unlike any other Code, and no other Code has a provider like the DCC. They were concerned that if the requirements are too precise, this may prevent the DCC from suggesting better solutions. However, if they are too flexible, this may not provide enough information or direction for Service Providers to carry out an effective assessment.

### **Requirements Workshop and TABASC input**

SECAS has introduced a new Requirements Workshop to allow SECAS, the DCC, the Service Providers and Proposers to more effectively collaborate while requirements are developed. The TABASC will also input on relevant modifications much earlier, and the input is being confirmed with the TABASC in February.

An attendee was concerned with any approach where a solution is found first and the requirements then engineered to that fit that solution, considering this is not the right way to do this. They were also concerned that this early Service Provider input to develop the business requirements would result in more cost to the industry. The DCC noted that the Preliminary Assessment is free of charge and that the Service Providers will not be charging for their input at these workshops as they can also see the benefit they will bring. The DCC is supportive of this new approach, as it will mitigate constant back-and-forth and ultimately help it and its Service Providers meet their service level agreements (SLAs). The attendee acknowledged this and expressed their support for the early engagement.

An attendee who had attended a Requirements Workshop thought the session had been beneficial and very informative.

### **Other Sub-Committee engagement**

SECAS will be reviewing its input from Sub-Committees, making sure any paper has clear questions that will add value to a modification's assessment. It will also look at how other forums discussing issues can more effectively engage with the modifications framework. An attendee highlighted that Parties are currently going to the wrong forums to raise issues requiring SEC changes, and that these other forums need to direct such issues towards SECAS much earlier. SECAS agreed to map out and clarify which forums are discussing these issues and to better engage with them to bring these issues under the SEC modifications framework sooner.

### **SSI changes linked to modifications**

SECAS highlighted a lack of clarity in how Self-Service Interface (SSI) changes arising from modifications are handled. Currently, the DCC is splitting these off and progressing them as a separate SSI change request. SECAS believes that for any modification needing an SSI change, the SSI changes should be assessed and progressed under the modification. Many attendees agreed with this proposed approach.

One attendee noted this will need a change to the DCC's internal workings, as the DCC's SSI team are detached from the modifications framework. Another attendee highlighted that SSI changes must

be progressed either under a modification or under an SSI change request, and considered that the DCC should not progress an SSI change via any other route.

## The Working Group

### The role of the Proposer and the Working Group

SECAS summarised the RFI respondent's views on the role of the Working group (question 5). Respondents felt it should be an independent forum to input to, shape and assess solutions, and that having people discussing changes 'in the room' is helpful for bigger modifications. The monthly approach to meetings is working well. The role of the Proposer needs to be clarified and SECAS needs to ensure all views have been taken on board.

SECAS presented its views on the role of the Proposer. Attendees who have been Proposers agreed with what was presented, and felt the issue is that not all Proposers are aware of this. This leads to some Proposers raising modifications then 'walking away'.

One attendee noted there is a lot of onus on a Proposer. Attendees were concerned that this leads to people not raising modifications as they are unable or unwilling to subsequently engage in its progression.

An attendee noted Proposers who are asked to raise modifications on behalf of groups or organisations that cannot. That Proposer is then held responsible for the change, even though they may have no knowledge or interest in the change. Modifications progressing Issue Resolution Proposals (IRPs) were cited as a prime example, with the Department for Business, Energy and Industrial Strategy (BEIS) requiring the industry to raise modifications to correct a fault, and the Proposer then must justify this to the industry. [DP149 'Effecting Changes to the Smart Energy Code efficiently'](#) will look to resolve this.

An attendee was also concerned about instances where other participants 'piggy-back' off an existing modification to add in their own requirements.

An attendee who works with Small Suppliers noted they often have a "we'll manage with this issue unless it is critical" ideology, which is why they rarely raise changes. To be a Proposer an individual needs a certain degree of knowledge, which some smaller Parties don't have, though the critical friend support provided by SECAS makes it easier.

Attendees were clear that the Proposer's ownership over a change should not be removed, otherwise they could lose control of the solution to their issue.

Attendees broadly agreed with the proposed role and input of the Working Group as set out by SECAS. An attendee asked if the business case could be discussed in the Working Group and queried how much information that might provide. This was discussed further under the later section on developing the business case.

A member highlighted that the current process can be too rigid in progressing through the steps in sequence. The framework should flex to meet the needs of each modification, which may require a change being returned to earlier steps if new issues or developments arise. SECAS was fully supportive of this.

## **Solution ownership and Alternative Solutions**

In its RFI, SECAS sought views on how Alternative Solutions should be raised and owned (question 6). Further work is needed to clarify how these are raised and who owns them and ensuring these are discussed at Working Group meetings.

SECAS proposed that individuals able to raise modifications should be able to raise Alternative Solutions, rather than the Working Group. This will give greater accountability and flexibility to their progression.

An attendee was concerned this approach would be counter to the point of Proposer ownership and that Alternative Solutions to be used as a side door to skip validation. SECAS confirmed that the same rigour applied to developing and assessing a Proposed Solution would be applied to any Alternative Solution. The attendee highlighted that this could hold up the Proposed Solution while the Alternative Solution is assessed, but was not sure how this could be solved. Another attendee queried if the Working Group should be given a vote on any Alternative Solution to assess if it was more widely supported before detailed work was undertaken.

## **DCC assessments**

SECAS summarised the views of RFI respondents on how the DCC Assessment process could be streamlined (question 7). Respondents highlighted that Assessments take too long and that the DCC needs to be meeting the SLAs. Cost estimates are too broad, and the increase in costs between Preliminary Assessment and Impact Assessment needs further scrutiny.

SECAS also summarised the views on how DCC cost governance could be improved (question 11). There is much support for greater transparency, and that the high costs are a barrier to change. Greater challenge on these costs by both DCC and SECAS is needed.

## **The Orthello Partnership review and enhancements to DCC Assessments**

The DCC provided an update on the review it commissioned The Orthello Partnership to carry out. This work has focused on solution development, better quality and more timely Assessments. The Requirements Workshop discussed earlier is a key outcome, enhancing collaboration and increasing the information Service Providers receive ahead of Assessment. These will ensure Service Providers are clear on assumptions and are unified, and that any dependencies are called out early.

The DCC is looking at the historic costs to complete an Impact Assessment to see if it can form a standardised cost. This will allow a fixed figure to be agreed upfront at the beginning of the financial year based on the expected number of Impact Assessments in the coming year, and the DCC would pay Service Providers monthly. This figure will be agreed annually. This would remove the need for the costs for individual Impact Assessments to be identified and approved.

The DCC will also be working with SECAS to better understand the release landscape and managing expectations with industry. It will be asking its Service Providers to make more recommendations around this.

There has been positive commitment from Service Providers to provide standard commercial input and to be involved in the Requirements Workshop. There is a strong belief from Service Providers that working collaborative with SECAS, the DCC and Proposers will be beneficial.



The DCC highlighted that its design team has been under-resourced, something which the Working Group has acknowledged in the past, and the DCC is working to remedy this. More technical and project management support is also being built into the DCC's team. The DCC now has a much more defined business process and organisational structure.

Attendees acknowledged the work the DCC was doing and did not raise any queries on this topic.

## Seeking wider input

### Party input

SECAS summarised the view from the RFI around how Party input to modifications could be improved (question 8). Respondents felt there is enough avenues to input now but considered it beneficial to better understand why some Parties don't input. Greater transparency around how responses to consultation are considered was also flagged.

SECAS asked attendees if there is anything more it could do to help improve engagement?

An attendee suggested SECAS could provide an added service for smaller Parties, though recognised this would be a big undertaking. Another attendee suggested quantifying the benefit of being involved for smaller Parties. They also noted other subscription services that disseminate information to Parties. A further attendee noted adapter providers represent small Parties and help on their behalf. These organisations themselves will flag modifications and issues to the smaller Parties and feed responses back into the process.

### Modification consultations

SECAS summarised RFI respondents' views on the current modification consultations (question 9). Some respondents were not clear on the value of the MRC. Flexibility is also needed as some modifications will need more consultations than others. Respondents also considered that SECAS needs to respond to each concern raised by respondents.

SECAS presented two proposals for consideration. First, the MRC could be made optional if the Panel felt there was no further need to consult following the Refinement Consultation. This could save a month for those modifications. Second, every modification could undergo the Refinement Consultation and only proceed to the Opine Stage once ready for the Change Board vote. This would allow any comments to be resolved before the Modification Report is finalised, which is difficult to do now for 'straight-to-Report' modifications. Attendees had no views on these options at this time.

SECAS acknowledged the feedback that it needed to be better at responding to comments and queries raised in consultation responses. It will be working to draw these out more clearly in Modification Reports and collated consultation responses documents, and to respond directly to the relevant respondents.

## Developing the case for change

SECAS asked respondents to the RFI for their views on how the business case for a modification could be better developed (question 10). Respondents thought providing cost brackets/ranges in consultation response forms would be helpful. More engagement early on and more discussion at the Working Group is needed too. SECAS should challenge where there is no case for change.

SECAS asked the workshop for any views on how 'unquantifiable costs' could be assessed.

One attendee suggested scales could be provided for scoring the magnitude of impacts, which could use the same scale for all modifications or could be defined specific to each modification. This would allow the impact and severity of doing nothing and of making the change to be assessed. Where there are multiple solution options, a weighted options appraisal was proposed could be used to assess which is best. They offered to discuss this further with SECAS after the workshop.

One attendee highlighted that a modification needs to look at unquantifiable costs and impacts outside of the DCC, including on non-SEC Parties. For example, any contractual costs that organisations will incur. Another attendee agreed SEC Party costs should be more clearly factored into the Modification Report and therefore the final decision.

An attendee highlighted that cross-Code change impacting on the smart arrangements needs better assessment. They were concerned that the smart arrangements don't consider the impact on other parts of the industry, or vice versa.

An attendee asked whether there would be any assessment from the DCC or Parties at the Define Stage, to provide an indication of costs and benefits and where that would be coming from. SECAS noted the intention in the Define Stage would be to understand the magnitude of issue. Attendees also asked how a Proposer could understand the costs and impacts on other Parties of the issue. SECAS confirmed it would support the Proposer to fill in any gaps to build a fuller understanding of the scale of the issue, which may include issuing an industry RFI.

## After the decision

### Amending legal text post-decision

SECAS asked RFI respondents for their views on whether the legal text should be amendable after final decision (question 13). There was limited support, and respondents were clear any process would need robust and transparent governance. Changes in the legal text could impact the costs the Change Board vote was based on.

SECAS noted the Fast-Track Modification process was introduced to allow for resolving typographical and other minor errors. It will streamline how such modifications are raised and progressed.

SECAS asked the workshop if there was any benefit for seeking post-decision approval of any low-level detail in the legal text that would be best confirmed during the solution's build. Fully scrutinising the legal text during the Refine Stage could delay the modification's implementation if it then misses a decision cut-off point. Service Providers may not have enough time in their Impact Assessment SLA to deliver the fully detailed legal text, e.g. schema changes, up-front.

One attendee was strongly against this and thinks it should be the same as other Codes. Attendees asked SECAS if examples of where applying this approach would have been beneficial could be drawn out. The DCC also confirmed it would seek to ensure all details, including schema changes, were developed prior to the Change Board's vote on a modification. It was felt a post-decision approvals process for legal text would not be beneficial.

### Release management and setting implementation dates

SECAS summarised the views of RFI respondents around introducing more flexibility when setting implementation dates (question 14). Respondents could see some benefit, but robust and transparent



governance is needed. Changing dates could also affect the business case for a change. Respondents sought smarter targeting of changes to releases, ensuring enough lead time for Users is given.

SECAS also asked for views on the current release management framework (question 15). Respondents sought increased engagement in determining release scopes, and for releases to be better aligned to how smart metering technology will evolve over time, noting the current approach focuses on piecemeal changes. The strategy should be optimised to deliver changes when they will actually be able to be used by Parties rather than against a fixed release calendar.

SECAS highlighted it is working with the DCC to develop a smarter approach to release planning, which may include considering possible releases as early as the Define Stage. The other enhancements will help to make the overall timetables for modifications more predictable, which will in turn help with release planning.

Attendees believed it would be beneficial to draw out when Suppliers or manufacturers would be likely to use a particular change, which will help with planning when to implement it.

One attendee noted that wider changes from BEIS and Ofgem needs to be factored in, as these will take up release space. Another attendee considered that release management doesn't work or does not seem to be considered by the DCC, noting that the DCC's pipeline of change may not align with when Parties want changes to be implemented.

An attendee also highlighted that the implementation approach needed to be more clearly highlighted and consulted upon. SECAS acknowledged this area could be made clearer in the Modification Report and it is working to enhance this.

## Outstanding questions

One attendee considered there to be benefit in looking back at the previous review and drawing out any common issues highlighted across the two pieces of work. They also encouraged SECAS reviews any best practice under other Codes.

Ofgem noted that while it encouraged other Codes to learn from the changes being introduced under the Retail Energy Code (REC), they should not just copy these over like-for-like but should first ensure any changes are suitable for that Code.

## Next steps

SECAS noted the next steps for the review are:

- An industry consultation on the straw man proposals will be issued in February 2021.
- SECAS will respond to comments before submitting its final report on the review with its recommendations to the Panel.
- Many of the identified improvements can be initiated without changing the SEC, and SECAS will seek to implement these by the end of March 2021. SECAS will also seek to initiate a Draft Proposal for any SEC changes in April 2021.