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MP182 'Improving Transparency of Election Results'

Modification Report

Version 0.4

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Corporate member of
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About this document

This document is a draft Modification Report. It currently sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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This document also has two annexes:

- **Annex A** contains the business requirements for the solution.
- **Annex B** contains the redlined changes to the SEC required to deliver the Proposed Solution.

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1. Summary

This proposal has been raised by Eric Taylor from SMETS Design Ltd.

The Proposer believes that the results of voting for positions in Smart Energy Code (SEC) governance are needlessly kept a secret from those eligible to vote. The Proposer also believes there appears to be no regulatory reason nor satisfactory explanation that explains the merits of this arrangement, other than the process to withhold results is explicitly stated within the SEC.

The Proposer's view is that this is an unusual element of secrecy and is at odds with conventional practice in transparent elections and some other Codes. It unnecessarily erodes confidence in the SEC governance arrangements and is contradictory to General SEC Objective (g)¹.

In any election for position in or under SEC Panel governance this modification proposes that for each candidate, the number of votes cast per candidate is published at the time that the results are announced. The Proposer hopes that "this alignment to normal transparent election process will improve confidence in enduring governance and encourage more active participation".

This modification is expected to impact all Suppliers, Network Parties and Other SEC Parties, as it will amend processes for elections that they can stand in. The modification costs are limited to SECAS implementation costs and will target the June 2022 SEC Release. This modification is an Authority Determined Modification as it has a material affect on the arrangements in Section C.

This modification has now been withdrawn as a solution has been found that has been implemented without impacting the SEC. The number of votes received per candidate will not be actively published but will now be made available upon request. Any SEC Party can request a breakdown of results following any SEC election.

2. Issue

What are the current arrangements?

The elections that are conducted under the SEC are governed by SEC Section C4 'Elected Members' which defines the election process for membership to the SEC Panel. The election process within Sub-Committees, in terms of management of the election process and publication of results, follows the same administrative process as that of the SEC Panel.

Additionally, the Security Sub-Committee (SSC), the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) and the Technical Architecture and Business Architecture Sub-Committee (TABASC) also require applicants to hold the appropriate expertise to be eligible for membership.

In a Panel or Sub-Committee election, where more nominations are received for candidates than there are seats available in that SEC Party Category, SEC Parties in that category will be invited to vote for their preferred candidate. The outcome of this vote is published, but the detailed breakdown of votes is not.

SEC Section C4.2 (n) and (o) states:

¹ Facilitate the efficient and transparent administration and implementation of this Code

- n) *the Secretariat shall not publish details of the votes cast by each Voting Group, but shall disclose such details to the Panel Chair for scrutiny;*
- o) *as soon as reasonably practicable following the election of an Elected Member in accordance with this Section C4.2, the Secretariat shall publish on the Website and notify each Party of the identity of the person who has been so elected.*

The Proposer argues that SEC Section C4.2(n) is in direct contradiction to SEC Section C1.1(g) which states:

- g) *the seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of this Code.*

There is precedent for the publishing of election results in other Codes.

The Balancing and Settlement Code (BSC) for example publishes results in full, following the process set out within BSC Section B 'The Panel'. The detailed rules surrounding the publishing of results are contained within Annex B-2 'Election of Industry Panel Members', section 1.3 'Publication of Election Results'. The Connection and Use of System Code (CUSC) also follows a very similar process.

The Distribution Connection and Use of System Agreement (DCUSA) lists the candidates in order of the candidate who received the most votes first, the candidate who received the second most votes second and so on. It doesn't however specify the number of votes per candidate.

The table below summarises these Code's processes.

Codes that detail election results			
Code	Size of voting groups	Clause in the relevant Code	Summary
BSC	>500	Annex B-2, Clause 1.3	<ul style="list-style-type: none"> Multiple voting rounds Candidate votes detailed in full
CUSC	>400	Annex 8A, Clause 3.6.2	<ul style="list-style-type: none"> Multiple voting rounds Candidate votes detailed in full
DCUSA	14 – 130	Section 1B, Clause 6.2.7	<ul style="list-style-type: none"> Single voting round Candidates announced in order of votes

All other Codes not specified above either do not have provisions for publishing election results, or specifies that results should not be published, other than the successful nominee(s) being named.

The recently implemented Retail Energy Code (REC) is not required to disclose anything except for the outcome of the election (i.e. which nominee(s) have been successfully appointed). However, this isn't defined in the Code, but was agreed with the Retail Energy Code Company (RECCo) during the initial process definition.

What is the issue?

The Proposer believes that the secrecy of election results is at odds with conventional transparency and normal practice in free and fair elections. It is necessary that SEC Parties have complete confidence in SEC governance in order that SEC objectives can be achieved. The Proposer believes

that keeping such information a secret and only seen by those who already hold office or position serves no constructive purpose and gives an extremely negative impression to SEC Parties who will be dissuaded from engagement and participation.

What is the impact this is having?

The Proposer believes that this unusual element of secrecy is at odds with conventional practice in transparent elections and unnecessarily erodes confidence in the SEC governance arrangements. In some areas the Proposer considers there is widespread and very low confidence in the ability of enduring governance to efficiently deal with the matters which frustrate the efforts of SEC Parties to support the General SEC Objectives. Against such a background, the Proposer feels that this is one of many changes that could have a cumulative effect in raising confidence in the effectiveness of enduring governance and encouraging better participation.

Impact on consumers

This issue does not affect consumers.

3. Solution

The solution is to place an obligation on SECAS to publish the number of votes received against each candidate in an election.

The redlined changes to deliver the 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

Breakdown of Other SEC Party types impacted			
✓	Shared Resource Providers	✓	Meter Installers
✓	Device Manufacturers	✓	Flexibility Providers

All Parties that are eligible to stand for nomination for SEC Panel, Sub-Committees or any other seats under the SEC that could have an election will be affected.

DCC System

There are no impacts on the DCC system as part of this modification.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section C 'Governance'

The changes to the SEC required to deliver the proposed solution can be found in Annex B.

Technical specification versions

There will be no impacts on the technical specifications.

Consumers

There will be no impact on consumers from this modification.

Other industry Codes

There will be no impacts on other Codes from this modification.

Greenhouse gas emissions

There will be no impact on greenhouse gas emissions from this modification.

5. Costs

DCC costs

There are no DCC costs associated with this modification.

SECAS costs

The estimated Smart Energy Code Administrator and Secretariat (SECAS) implementation cost to implement this as a stand-alone modification is one day of effort, amounting to approximately £600. This cost will be reassessed when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

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

- Updating internal SECAS processes to include the publication of election results.

SEC Party costs

There are not expected to be any costs to SEC Parties associated with this modification.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **30 June 2022** (June 2022 SEC Release) if a decision to approve is received on or before 15 June 2022; or
- **3 November 2022** (November 2022 SEC Release) if a decision to approve is received after 15 June 2022 but on or before 19 October 2022.

As this modification does not require any system changes and the implementation of the administration process relatively minor then the earliest release this modification could be aimed for is June 2022 SEC Release.

7. Assessment of the proposal

Observations on the issue

The issue was presented to the Change Sub-Committee (CSC) highlighting that the Proposer believes that election results should be shared to maintain confidence within the Industry and stated there is no merit in being discreet. A CSC member noted that they were not aware of any other Code Administrator that declared in this way.

SECAS has conducted further research into other Code Administrators and Managers' approaches and has highlighted the findings within the 'Issue' section of this document.

One Working Group member noted that this is not an issue for Large Suppliers who each receive a seat at certain forums such as the Change Board, although commented that the current process does provide anonymity.

Solution development

SECAS notes that the SEC, and the majority of Codes act in the same way, whereby full results are not published. However, there is precedent for a full publication with the BSC and the CUSC following this process. SECAS also highlights that the REC, the newest Code, also does not publish a full breakdown. The DCUSA undertakes a partial publication whereby nominees are listed in the order they finished in the election, but the specific votes are not disclosed.

A Working Group member noted this was not an issue for them but suggested if it was an issue for others then giving a voting breakdown would not impact them. They continued that mirroring the DCUSA process could combat the perceived issue of keeping anonymity.

The Proposer countered saying it was not relevant how other Codes functioned, and that SEC Parties should develop a process that meets the criteria of a transparent election, and the needs of the SEC Parties. They continued to note that publication of results is a standard process in many democratic elections through many different types of groups and forums.

The Panel were presented with the modification and were supportive of improvements to transparency, although noted a consequence of the solution of potential disengagement of a nominee that received low votes. They suggested an alternative solution that could be implemented without impacting the SEC. The number of votes received per candidate will not be actively published but can be made available upon request. Any SEC Party can request a breakdown of results following any SEC election.

Support for Change

The Working Group noted possible issues of anonymity and discouragement in participation as consequences of a full publication of results, and that there was no preference on the possible solution to list candidates in finishing order, or to provide a full breakdown.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that this modification better facilitates objective (g)² as it will provide all SEC Parties with more information for the election results.

Industry views

Industry views will be sought as part of the Refinement Consultation.

Views against the consumer areas

Improved safety and reliability

If implemented, this modification will have a neutral impact against this consumer area.

Lower bills than would otherwise be the case

If implemented, this modification will have a neutral impact against this consumer area.

Reduced environmental damage

If implemented, this modification will have a neutral impact against this consumer area.

² Facilitate the efficient and transparent administration and implementation of this Code

Improved quality of service

If implemented, this modification will have a neutral impact against this consumer area.

Benefits for society as a whole

If implemented, this modification will have a neutral impact against this consumer area.

Appendix 1: Progression timetable

This modification has now been withdrawn.

Timetable	
Event/Action	Date
Draft Proposal raised	17 Sep 2021
Presented to CSC for initial comment	28 Sep 2021
Presented to CSC for final comment and decision	30 Nov 2021
Business requirements developed with the Proposer	Dec 2021
Business requirements and Proposed Solution discussed with Working Group	2 Feb 2022
Refinement Consultation	7 Mar – 25 Mar 2022
Modification discussed with Panel	18 Mar 2022
Modification withdrawn	31 Mar 2022

Appendix 2: Glossary

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

Glossary	
Acronym	Full term
BSC	Balancing and Settlement Code
CSC	Change Sub-Committee
CUSC	Connection and Use of System Code
DCUSA	Distribution Connection and Use of System Agreement
REC	Retail Energy Code
RECCo	Retail Energy Code Company
SEC	Smart Energy Code

Glossary	
Acronym	Full term
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SECAS	Smart Energy Code Administrator and Secretariat
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee