SEC
Smart Energy Code

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Smart Energy Code

MP182

‘Improving Transparency of Election Results’

Modification Report

Version 0.3

7 March 2022

Corporate member of Plain English Campaign
Committed to clearer communication
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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.

Contact

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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.

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:

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.

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

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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	• Multiple voting rounds • Candidate votes detailed in full
CUSC	>400	Annex 8A, Clause 3.6.2	• Multiple voting rounds • Candidate votes detailed in full
DCUSA	14 – 130	Section 1B, Clause 6.2.7	• 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.

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.

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.

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

Appendix 1: Progression timetable

This modification will be sent for Refinement Consultation.

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 Report approved by CSC	19 Apr 2022
Modification Report Consultation	20 Apr – 12 May 2022
Change Board vote	25 May 2022
Authority decision (anticipated date)	June 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
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

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Annex A

Business requirements – version 0.1

About this document

This document contains the business requirements that support the solution(s) for this Modification Proposal. It sets out the requirements along with any assumptions and considerations. The DCC will use this information to provide an assessment of the requirements that help shape the complete solution.

1. Business requirements

This section contains the functional business requirements. Based on these requirements a full solution will be developed.

Business Requirements	
Ref.	**Requirement**
1	All elections under the Smart Energy Code (SEC) shall have the result published, detailing the number of votes received by each candidate.

2. Considerations and assumptions

This section contains the considerations and assumptions for each business requirement.

2.1 General

This solution will be applied to all elections that take place under the SEC, covering all Party categories at the Panel and all Sub-Committees.

2.2 Requirement 1: All elections under the SEC shall have the result published, detailing the number of votes received by each candidate.

The current rules within the SEC require the Smart Energy Code Administrator and Secretariat (SECAS) to publish the identity of the person who has been elected as soon as reasonably practicable.

3. Glossary

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

Glossary	
Acronym	**Full term**
DCC	Data Communications Company
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat

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Annex B

Legal text – version 0.1

About this document

This document contains the redlined changes to the SEC that would be required to deliver this Modification Proposal.

Section C 'Governance'

These changes have been redlined against Section C version 8.0.

Amend Section C4.2 as follows:

Election of Elected Members

C1.1 The process set out in this Section C4.2 shall apply in respect of the election of each Elected Member. This process shall apply in respect of Elected Member vacancies arising by virtue of a Panel Member's retirement in accordance with Section C4.4 (a **Scheduled Election**), or a Panel Member being removed from office in accordance with Section C3.9, C4.5 or C4.6 (an **Interim Election**). In each case, the following process shall apply:

(a) each Elected Member is to be elected by a Party Category as described in Section C3.1;

(b) each Voting Group within a Party Category is entitled to cast one vote in the election of the Panel Member(s) to be elected by that Party Category;

(c) the Secretariat shall publish on the Website and send to each Party within the relevant Party Category an invitation for nominations for candidates for the role of Elected Member for that Party Category;

(d) in the case of Scheduled Elections, the invitation for nomination of candidates shall be published and sent by the Secretariat at least 35 Working Days ahead of the date on which the relevant Panel Member's term of office expires;

(e) in the case of Interim Elections, the invitation for nomination of candidates shall be published and sent by the Secretariat by no later than 5 Working Days after the date on which the relevant Panel Member was removed from office;

(f) the invitation for nomination of candidates shall request nominations within 15 Working Days after the date of the invitation;

(g) the eligible candidates for election shall be those persons who are (at the time of their nomination) capable of becoming and remaining Panel Members in accordance with Sections C3.2 and C4.6, and whose nominations (whether nominated by themselves or a third party) are received by the Secretariat within the period of time set out in the request for nominations;

(h) where the Secretariat receives a nomination for a candidate that the Secretariat does not consider to be an eligible candidate in accordance with Section C4.2(g), the Secretariat shall notify that person that this is the case as soon as reasonably practicable after receipt of the nomination (and, in any event, by no later than 2 Working Days following the expiry of the period of time set out in the request for nominations);

(i) where a candidate disputes the Secretariat's notification under Section C4.2(h), the candidate shall have 2 Working Days following receipt of such notification to refer the matter to the Panel Chair for final determination (which determination shall be made by the Panel Chair by no later than 5 Working Days following the expiry of the period of time set out in the request for nominations);

(j) 6 Working Days following the expiry of the period of time set out in the request for nominations, the Secretariat shall give notice to each Party within the relevant Party Category of the names of each eligible candidate (together with any supporting information provided to the Secretariat with his or her nomination);

(k) at the same time as the Secretariat issues such notice, where there are more eligible candidates for a Party Category than there are positions to be filled as Elected Members for that Party Category, the Secretariat shall invite the Voting Groups comprising that Party Category to vote for their preferred eligible candidate;

(l) each such Voting Group shall be entitled to cast one vote, and shall cast such vote by means of a system established by the Panel which ensures that each Voting Group casts only one vote, and which allows 10 Working Days following the invitation pursuant to Section C4.2(k) for such vote to be cast;

(m) the successful candidate or candidates elected as a result of the votes cast in accordance with this Section C4.2 shall be determined in accordance with Section C4.3;

(n) at the same time as the Secretariat publishes the outcome of the vote, the Secretariat shall ~~not~~ publish on the Website the number of votes cast for each candidate (but not the details of ~~the votes cast by each~~which Voting Group voted for which candidate, ~~but~~ which details shall only be disclosed ~~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; and

(p) each person elected as a Panel Member in accordance with this Section C4.2 shall commence his or her office as a Panel Member: (i) in the case of Scheduled Elections, simultaneously with the retirement of the relevant Panel Member; or (ii) in the case of Interim Elections, simultaneously with the notification by the Secretariat pursuant to Section C4.2(o).