SEC
Smart Energy Code

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Smart Energy Code

MP186

‘Section D Review (2020): further enhancements’

Modification Report

Version 1.0

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Committed to clearer communication
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About this document

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

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This document also has four annexes:

- **Annex A** (attached separately) contains the redlined changes to SEC Section D 'Modification Process' required to deliver the Proposed Solution, including supporting commentary[1].
- **Annex B** contains the clean changes (no mark-up) to SEC Section D required to deliver the Proposed Solution.
- **Annex C** contains the redlined changes to the other parts of the SEC required to deliver the Proposed Solution.
- **Annex D** contains the full responses received to the Refinement Consultation.

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[1] Annex A is a document compare between the clean changes of SEC Section D (Annex B) and the live SEC Section D, with supplementing commentary to explain the changes to due to the way the changes are presented.

1. Summary

This proposal has been raised by Sasha Townsend from the Data Communications Company (DCC).

In October 2020, the SEC Panel agreed to SECAS carrying out an end-to-end review of the SEC modification framework[2]. Several areas were investigated to identify any improvements that could be made.

Most of the recommendations from this SEC Section D Review could be implemented within the current wording of SEC Section D. However, a few of its recommendations will require changes to SEC Section D to deliver. This modification was raised to progress these changes further.

The Proposed Solution is to address each of the recommendations made by the SEC Section D review (2020) requiring a Modification Proposal. This includes the recommendation to holistically update SEC Section D to ensure it is fully clear and structured in the most effective manner. These changes will improve the efficiency and transparency of the process, as well as aligning the SEC to match current working practices.

The costs of this proposal are limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort to implement the changes. This modification will impact all Parties engaged in the Modification Process. It is targeted for the November 2022 SEC Release and is being progressed as an Authority Determined Modification.

2. Issue

What are the current arrangements?

SEC Section D Review 2020

In early 2018, SECAS carried out a review of the SEC modifications process in SEC Section D 'Modification Process'. Its findings resulted in three modifications being progressed, with the biggest changes being the introduction of the Development Stage to assess a proposal's issue, and the requirement for the Change Board to approve DCC Impact Assessment requests.

Since these changes were implemented, SECAS has continued to explore ways of performing parts of the process in a more streamlined manner. It has also progressed over 100 further modifications, allowing it to make further learnings.

In October 2020, the SEC Panel agreed to SECAS carrying out an end-to-end review of the SEC modification framework[2]. The following areas were investigated to identify any improvements that could be made:

- Reviewing the changes from the previous review
- Reviewing the oversight of the modification framework
- Reviewing the development of business requirements
- Reviewing how Sub-Committee input is gathered

[2] Please see SEC Panel paper SECP_85_1610_18 (Green) for more information.

- Reviewing the role of the Working Group
- Reviewing the timescales of DCC Assessments
- Reviewing the way in which Party input is gathered
- Reviewing how the business case for change can be developed and documented
- Reviewing approaches to reduce DCC costs
- Reviewing the process for making the final decision on modifications
- Reviewing whether legal text changes can be made following the modification's approval
- Reviewing the governance of SEC Releases and implementation dates

Following extensive industry consultation and engagement, SECAS presented its final recommendations to the Panel in April 2021[3].

Review recommendations requiring a Draft Proposal

Most of the recommendations from the SEC Section D Review could be implemented within the current wording of SEC Section D. However, a few of its recommendations require a modification to deliver. These include:

- Moving the Change Board's responsibility for approving the costs of an Impact Assessment to the Change Sub-Committee (CSC).
- Simplifying the Self-Governance appeal route so that any appeal of the Change Board's decision under Self-Governance would be submitted directly to the Authority.
- Revising who can raise an Alternative Solution, moving this away from the Working Group and instead allowing individual Parties eligible to raise a Draft Proposal to raise and own an Alternative Solution.
- Further examining and developing the DCC's recommendation that the Preliminary Assessment duration be increased to 25 Working Days and that enhancements to the mechanism for extending DCC Assessment timescales be introduced.
- Further investigating whether and how the current approach to Modification Report Consultations (MRCs) can be simplified.

Neither SECAS nor the Panel can raise a Draft Proposal to take this forward, and so SECAS advised the Panel that it would seek a sponsor to raise a Draft Proposal on its behalf. The DCC agreed to raise this modification on SECAS's behalf.

What is the issue?

The SEC Section D review identified several areas of the Modification Process which could be improved. The review made recommendations aimed at improving the process as a result. However, several of these recommendations cannot be delivered without a Modification Proposal being raised.

[3] Please see SEC Panel paper SECP_91_1604_20 (White) for more information, including the SEC Section D Review (2020) Final Report

This is due to the rules for these areas being outlined within SEC Section D. The issues identified which require changes to the SEC to address are summarised below.

Approval of costs for an Impact Assessment

In July 2021, the Panel agreed to delegate its responsibilities for overseeing modifications to the CSC. For completeness, SECAS also recommended that the Change Board's role in approving DCC Impact Assessment requests is moved across to the CSC. This would place all governance decisions relating to a modification's progression through the framework in one place, ensuring greater consistency. However, moving this role will require a SEC change as there is no provision for Sub-Committees to pass responsibilities to each other.

This split results in fragmented and less efficient governance, with no single group having full end-to-end oversight of the assessment of a modification as different responsibilities are split between the CSC and the Change Board.

Self-Governance decisions appeal route

Currently, if a Change Board decision under Self-Governance is appealed by a Party, the Panel (now delegated to the CSC) would be asked to review the Change Board's decision, and only after a further appeal on that decision would the Authority be asked to input.

Under most of the other Energy Codes, decisions on modifications are made by the Code Panel. Therefore, the Authority is the only viable body for any appeal on a Self-Governance decision to be referred to. However, the SEC's approach of having modification decisions be made by a Sub-Committee (in this case the Change Board) means there is scope to refer decisions upwards within the SEC governance framework (in this case to the Panel). This allows for appeals on Self-Governance decisions to first be heard and ruled on under SEC governance without needing Authority input, which SECAS acknowledges enhances the realisation of the principle behind Self-Governance.

Of the 85 decisions made under Self-Governance (up to April 2022), only two have been appealed by a Party. However, on each of these occasions, the Panel's subsequent decision was also then appealed to the Authority. In these cases, the input from the Panel added another month onto the decision timeline, and required additional SECAS time and effort to manage, for no perceived benefit

The issue identified is one of a lack of efficiency with the current process, whereby referrals are assessed via the Panel (now delegated to the CSC) before only being referred again to the Authority.

Raising Alternative Solutions

Code Administrators must facilitate alternative solutions to be raised and progressed alongside the Proposer's solution[4]. Currently under the SEC, only the Working Group can raise Alternative Solutions, which are then assessed and progressed in parallel with the Proposed Solution.

Due to the revised approach to Working Groups following the previous review, and that attendance for a given modification is not 'fixed', SECAS considers the current approach in the SEC for raising Alternative Solutions does not work as envisioned. Raising an Alternative Solution requires

[4] Code Administration Code of Practice (CACoP) Principle 7 'Code Administrators will facilitate alternative solutions to issues being developed to the same degree as an original solution' – please refer to the CACoP for more details.

agreement from the Working Group, as would any subsequent decision to amend the option later or withdraw it from consideration. As the group would need to be convened each time its input is needed, with the potential for different people to be in attendance, this leads to inconsistent and inefficient progression. In turn, this holds up progression of the whole modification, as Alternative Solutions need to be presented for decision alongside the Proposed Solution within the same Modification Report.

DCC Assessments

SECMP0034 'Changes to the SEC Section D for DCC analysis provisions', implemented in November 2018, added into the SEC a requirement for the DCC to complete a Preliminary Assessment within 15 Working Days of accepting the request, and an Impact Assessment within 40 Working Days. Parties note that the DCC often doesn't achieve these timescales and are concerned there is no incentive for the DCC to do so. In addition, the DCC notes that no consideration is given to the size of a modification when setting response times, or when the DCC has to pause an assessment due to reasons outside of its control or to the scope of a modification. The DCC believes these provisions should be updated considering lessons learnt over the subsequent years since SECMP0034 was implemented.

Modification Report Consultations

The SEC currently requires an MRC to be issued in the Report Phase after the Panel (since delegated to the CSC) has finalised the Modification Report. This simply asks respondents whether they believe the modification should be approved or rejected, to assist the Change Board in making its decision.

Alternative approaches to this consultation were considered under the review, but there was no clear consensus from the industry on the best approach. The review concluded that as any changes to the MRC provisions would require changes to the SEC, this question should be further investigated under any follow-up modification.

Oversight of modification progression and timetables

In July 2021, the Panel fully delegated its duties for overseeing modifications' progression and timetables to the CSC, as recommended under the review. These, along with all other delegations, can be found in the SEC Delegations Register. SECAS agreed to monitor how well this is working and if successful, it would also recommend the relevant parts of SEC Section D be updated through this modification to make these arrangements enduring.

If the industry deems the CSC's role in overseeing modifications to have been successful, the SEC should be updated to reflect its enhanced role as enduring. Otherwise, the industry could be led to believe that the Panel still has oversight of the process if they were to just read SEC Section D without looking at the Delegations Register as well.

Re-wording of SEC Section D

SECAS also recommended in the SEC Section D Review that this modification would present an opportunity to holistically update the whole of SEC Section D to ensure it is fully clear and structured in the most effective manner, and accurately reflects current working practice. SECAS intends for

SEC Section D to lay out the framework for progressing modifications and any key governance procedures. Given the extremely varied nature of modifications, it is keen for it not to be overly prescriptive on processes, as this can have unintended consequences should an unforeseen scenario arise in the future that the detail did not cater for.

What is the impact this is having?

All of the above issues are creating inefficiencies and inconsistencies within the Modification Process. This is hindering the industry from identifying the most cost effective and efficient solution and adding time to the duration of modifications.

Making the Modification Process easier to engage in will encourage Parties to come forward and identify issues in the SEC that need to be resolved.

Impact on consumers

This issue does not impact consumers.

3. Solution

Proposed Solution

The Proposed Solution is to address each of the recommendations made by the SEC Section D Review (2020) requiring a Modification Proposal. These will improve the efficiency and transparency of the process, as well as aligning it to match current working practices. The solutions for each recommendation made by the review requiring a modification are detailed below. Each of the corresponding amendments to the legal text have been extensively reviewed by the SECAS Lawyer.

Annex A contains the full redlined changes to SEC Section D for this modification. This includes commentary on each change to highlight where the proposed change has originated from.

Approval of costs for an Impact Assessment

This modification proposes that the approval of costs for an Impact Assessment be moved from the Change Board to the Panel, who would be recommended to delegate this to the CSC. This will result in a single group having full end-to-end oversight of the assessment of a modification during the Refinement Process.

Raising Alternative Solutions

This modification proposes that the SEC allows participants eligible to raise new Draft Proposals to be able to raise an Alternative Solution under an existing modification. Placing responsibility for an Alternative Solution on an individual also then allows for more efficiency in developing and progressing that option.

DCC Assessments

Extending the duration of open DCC Assessments

Enhancements to the existing mechanism for extending the duration of an active DCC Assessment are proposed for when measuring the DCC's performance against delivering DCC Assessments. This would allow for additional time during a DCC Assessment to complete the assessment for the following scenarios:

- Reprioritisation of modifications by SECAS and the CSC meaning a DCC Assessment should be paused
- Changes to the business requirements mid-way through a DCC Assessment
- DCC Assessment unable to progress due to complex clarifications raised which prohibits progress
- Allowing the DCC to challenge Service Provider costs upon the Service Providers providing their assessments to the DCC

This modification proposes that when the DCC wishes to extend the deadline for an active DCC Assessment, the DCC would need to send the request to SECAS. SECAS would subsequently review and provide a decision on the request. The Panel would be informed of the request and SECAS's determination and could choose to overturn SECAS's decision if it felt it appropriate to do so.

Preliminary Assessment SLA

This modification proposes that the service level agreement (SLA) for the DCC to complete a Preliminary Assessment is extended from 15 Working Days to 25 Working Days. This would allow sufficient time for the DCC to challenge its Service Providers on the responses submitted, as well as address complex or high volumes of clarification requests. It also reflects the increased number of Service Providers potentially needing to feed into the Preliminary Assessment, considering the Smart Metering Equipment Technical Specifications (SMETS) 1 Service Providers (S1SPs) might also be impacted.

Re-wording of SEC Section D

This modification proposes to holistically update the whole of SEC Section D to ensure it is fully clear. This will include re-wording clauses in plainer English, aligning relevant parts to match current working practices, and restructuring the document in a more logical format to align with the order of steps in which the process is carried out.

Various terms related to the Modification Process have been added to and amended within SEC Section A 'Definition and Interpretation' to increase transparency. The updated definitions are intended to provide a clear explanation of the term rather than simply referring to other sections of the SEC where the term is described.

In addition, a clear statement has been inserted which clarifies the Change Board can approve the correction of any non-material typographical errors or other minor factual inaccuracies within the legal text that do not change the intention of the modification following the Modification Report Consultation. This aligns with recent decisions where this has been carried out successfully.

Dropped proposals

Following the feedback received during the Refinement Process, the proposed enhancements to the following areas were dropped from the Proposed Solution:

- Self-Governance decisions appeal route
- Oversight of modification progression and timetables
- Modification Report Consultations

The discussions on these areas and the rationale for their being dropped can be found in Section 7 below.

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

This modification will indirectly impact all SEC Parties as it proposes changes to the Modification Process. No element of the solution is specific to a particular Party Category. Other than the DCC, Parties will not need to make any changes to implement MP186, and will only be affected if they participate in the modification framework.

The changes in this modification are aimed at helping all Parties participate in the Modification Process by making it more efficient and easier to navigate.

DCC System

This modification does not impact the DCC Systems.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section A ‘Definitions and Interpretation’

- Section C 'Governance'
- Section D 'Modification Process'
- Section G 'Security'
- Section L 'Smart Metering Key Infrastructure and DCC Key Infrastructure'

The proposed changes to the SEC to deliver the Proposed Solution can be found in Annexes A, B and C. Annex A contains the redlined changes to SEC Section D for this modification, along with commentary on each proposed change. Annex B contains a 'clean' copy of SEC Section D if the proposed changes were accepted. Annex C contains the redlined changes to the remaining SEC Sections impacted by MP186.

Devices

This modification does not impact Devices.

Consumers

This modification does not impact consumers.

Other industry Codes

This modification does not impact any other industry Codes.

Greenhouse gas emissions

This modification does not impact greenhouse gas emissions.

5. Costs

DCC costs

This modification will not incur any DCC costs.

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is two days of effort, amounting to approximately £1,200. 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 the Working Group Terms of Refence; and
- Updating the Modification Process guidance documents and publishing these on the SEC website.

SEC Party costs

This modification will not incur any Party costs to implement.

6. Implementation approach

Approved implementation approach

The CSC has agreed an implementation date of:

- **3 November 2022** (November 2022 SEC Release) if a decision to approve is received on or before 20 October 2022; or
- **23 February 2023** (February 2023 SEC Release) if a decision to approve is received after 20 October 2022 but on or before 9 February 2023.

This modification does not impact the DCC or SEC Party Systems or business processes and can be implemented in any scheduled SEC Release. The earliest release this modification can be targeted for is the November 2022 SEC Release. All four Refinement Consultation respondents advised they could implement MP186 immediately and one respondent suggested that MP186 could be targeted at an ad hoc SEC Release as a result.

7. Assessment of the proposal

Observations on the issue

SECAS noted that the issues highlighted in this modification had been discussed and consulted on under the Section D review, where it had been agreed to raise a modification to take them forward. Due to the extensive discussions held under the review, SECAS believed the issues were fully clear and this modification should proceed to the Refinement Process to begin assessing solutions. The CSC had no further comments on the issues and agreed the Draft Proposal should progress as a Modification Proposal.

As part of the modification's initial assessment, SECAS engaged the Chairs from the Operations Group (OPSG), the Technical Architecture and Business Architecture Sub-Committee (TABASC), the Security Sub-Committee (SSC) and the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) to confirm what input, if any, was required from their forums. It was agreed that no input was needed from these forums as this modification did not impact any of their areas of responsibility.

Solution development

Ofgem noted that it is supportive of SECAS, the Panel and the DCC working together to identify improvements in the Modification Process. However, it advised the Working Group that it would

expect the current arrangements to be assessed and the reasons for amending or removing any steps to be fully justified, demonstrating how the proposal is an improvement on the current arrangements, with all relevant information to be submitted. Ofgem added it encourages Code bodies to explore the arrangements in other industry Codes to identify any improvements that can be made in their own Code, but any such change needs to be assessed in the context of the Code in question to ensure that it is appropriate and beneficial.

Responsibility for approving Impact Assessment costs

SECAS explained the issue and proposed solution for this area. The Working Group had no comments on the proposal.

The Panel and all four Refinement Consultation respondents also agreed that the approval of DCC Impact Assessments should be moved from the Change Board to the CSC. One respondent suggested that for more controversial modifications, an option be allowed for the CSC to refer the decision back to the Change Board. SECAS believed this to be inefficient and an unnecessary two-tier process. It also noted that Sub-Committees cannot pass delegated responsibilities to each other.

Following the decision to not update SEC Section D to make the CSC's oversight of modifications enduring (see below), this responsibility will be placed on the Panel within the legal text. The Panel would then be recommended to delegate this responsibility to the CSC, in line with the other responsibilities.

Simplifying the Self-Governance appeal route

Rationale

SECAS recommended in the SEC Section D review that if a Change Board decision under Self-Governance is appealed by a Party, the appeal be issued directly to the Authority. Currently, if a Change Board's decision is referred by a Party, the Panel (delegated to the CSC) would be asked to review the Change Board's decision. That decision would then be subject to a further referral period. Only after the Panel's decision is referred would the Authority be asked to input. On both the previous occasions a Change Board decision has been appealed by a Party, the Panel's subsequent decision was also then appealed to the Authority.

Under most of the other Energy Codes, decisions on modifications are made by the Code Panel. Therefore, the Authority is the only viable body for any appeal on a Self-Governance decision to be referred to. However, the SEC's approach of having modification decisions be made by a Sub-Committee (in this case the Change Board) means there is scope to refer decisions upwards within the SEC governance framework (in this case to the Panel) before involving the Authority. This allows for appeals on Self-Governance decisions to first be heard and ruled on under SEC governance without needing Authority input, which SECAS acknowledges enhances the realisation of the principle behind Self-Governance. A two-step appeals process allows an opportunity for the Panel (or the CSC) to provide a view on the appropriateness of the appeal and a further viewpoint on the modification before any appeal is subsequently submitted to the Authority.

However, in both the previous cases where a Self-Governance decision was appealed, the review and determination by the Panel did not prevent the modifications from subsequently being referred to the Authority. In these cases, the input from the Panel added another month onto the decision timeline, and required additional SECAS time and effort to manage, for no tangible benefit. SECAS considered that future appeals on Self-Governance decisions would likely result in the same outcome

and end up with the Authority for final determination. Therefore, while appeals on Self-Governance decisions are expected to be rare, removing the interim step and having such appeals submitted directly to the Authority would improve the overall efficiency of the modification framework.

Industry views and subsequent conclusion

Three of the four Refinement Consultation respondents were supportive of this proposal. However, one respondent advised that the current process where an appeal to a Change Board decision goes first to the Panel should remain. They believed Codes should be prompted to attempt to address their own issues where possible on a Self-Governance matter, before any escalation to the Authority. They added that going to the Panel at least prompts a conversation amongst Panel representatives (including Ofgem) on the topic, meaning Ofgem would be better briefed on the views and rationale of the case, if it did end up being subsequently appealed to the Authority. This ensures that if Ofgem does need to make the final decision, it is well briefed on the situation, having already been in a Panel discussion on it, rather than trying to make a decision on a paper document review. The respondent also noted the small number of events in which the scenario had occurred and therefore questioned the materiality of the issue at hand.

SECAS and the Proposer, considering the consultation responses, decided to remove this particular proposal from the Proposed Solution, noting the benefits it would bring are expected to be minimal, especially given the expected rarity of this event.

Conclusion
The proposal on simplifying the Self-Governance appeal route was dropped from the Proposed Solution.

Staggering Change Board Member terms and elections

SECAS proposed that the Change Board membership term be extended from one to two years. This would allow SECAS to stagger the Change Board membership terms. Annual elections would still take place, but only half the seats would be up for election each time. This would prevent the entire membership from changing at once, which will support the preservation of knowledge within the Sub-Committee. This approach has been successfully implemented across all the other SEC Sub-Committees and the SEC Panel, and SECAS considers it would be efficient to align the Change Board to this approach.

A Working Group member queried whether all the other Sub-Committees already require a two-year membership from its members. SECAS confirmed that all the Panel Sub-Committees have a membership term of two years with the exception of the Change Board. As the Change Board's term duration is included in SEC Section D, a modification is needed to change this.

Revising who can raise an Alternative Solution

Rationale

SECAS recommended that the SEC should allow any Parties eligible to raise new Draft Proposals to be able to raise an Alternative Solution under an existing modification. Currently under the SEC, only the Working Group can raise Alternative Solutions, which are then assessed and progressed in parallel with the Proposed Solution.

During the SEC Section D review, Parties highlighted that it needs to be clearer that Alternative Solutions can be raised, and who owns these. Due to the revised approach to Working Groups following the SEC Section D review in 2018, and that attendance for a given modification is not 'fixed', SECAS considers the current approach in the SEC for raising Alternative Solutions does not work as envisioned. Raising an Alternative Solution requires agreement from the Working Group, as would any subsequent decision to amend the option later or withdraw it from consideration. As the group would need to be convened each time its input is needed, with the potential for different people to be in attendance, this leads to inconsistent and inefficient progression. In turn, this holds up progression of the whole modification, as Alternative Solutions need to be presented for decision alongside the Proposed Solution within the same Modification Report.

Placing responsibility for an Alternative Solution on an individual allows for more efficiency in progressing the option. SECAS would only need that individual to provide the input required on any Alternative Solution, rather than the whole group, and would only need their decision on how to proceed.

SECAS acknowledges the potential for a Party to raise Alternative Solutions to frustrate the Proposed Solution progressing to decision. Therefore, SECAS proposed the Panel be given the power to close down an Alternative Solution if it believes that its proposer is frustrating the overall progression of the modification. This would only happen following discussion by the Working Group, who would provide a view on this to the Panel; the provisions for this will be added to the Working Group Terms of Reference, which will be updated as part of this modification's implementation. The Panel's subsequent decision would follow the usual approach of needing a majority decision from members at the relevant meeting.

The DCC questioned how the impacts of the proposed changes to Alternative Solutions to the DCC System would be assessed. SECAS advised that it had not previously received Alternative Solutions to any DCC System impacting modifications. However, if an Alternative Solution was raised for a DCC System impacting modification, the service level agreements (SLAs) for the DCC Assessments would remain unchanged and the SLAs for the DCC Assessments for the Alternative Solution would be measured independently from the Proposed Solution. If SECAS submitted both the Proposed Solution and the Alternative Solution in a single DCC Assessment request, it would be measured as a single DCC Assessment request for the purposes of measuring the DCC's performance against the SLA.

Industry views

All four Refinement Consultation respondents agreed with the proposals on Alternative Solutions. SECAS clarified that proposers of Alternative Solution(s) would be required to attend any Woking Group meetings in which they are discussed and that Alternative Solution(s) would be fully refined and assessed to the same degree as the Proposed Solution.

One respondent raised a concern that the proposals could lead to too many Alternative Solutions being raised and suggested that the Panel be allowed to close these down if that were the case. SECAS advised that the Panel should not be able to close down Alternative Solutions simply because there were too many being raised for a given proposal. However, it could close down an Alternative Solution if it deemed the proposer and raised it simply to frustrate the progression of the given modification. The respondent also suggested that SECAS be allowed to raise and own Alternative Solutions. However, SECAS noted this had already been explored under the recently rejected MP149 'Effecting Changes to the Smart Energy Code efficiently', and it was not looking to reopen this.

The DCC's recommendations for amending the DCC assessment rules

Rationale

SECMP0034 'Changes to the SEC Section D for DCC analysis provisions', implemented in November 2018, added into the SEC a requirement for the DCC to complete a Preliminary Assessment within 15 Working Days of accepting the request, and an Impact Assessment within 40 Working Days. The DCC believes these provisions should be updated considering lessons learnt over the subsequent years since SECMP0034 was implemented.

The DCC noted the SLAs in place and whilst it has made some improvements, it continues to struggle to achieve the SLAs. As a result, the DCC set out its proposals for enhancing the existing mechanism for extending the duration of an active DCC Assessment as well as extending the Preliminary Assessment SLA from 15 to 25 Working Days.

The enhancements to the existing mechanism for extending the duration of an active DCC Assessment would enable the DCC to do the following without impacting its performance against the SLA:

- Put emphasis on assessments for modifications the CSC deem to be if higher priority
- Consider business requirements which have changed mid-way through the assessment
- Obtain answers to complex clarifications which are essential to completing the assessment
- Challenge Service Provider costs upon the Service Providers providing their assessments to the DCC

All of the above would better facilitate more comprehensive DCC Assessments.

In addition to the enhancements above, the DCC proposes to extend the SLA for the Preliminary Assessment from 15 Working Days to 25 Working Days. This would allow sufficient time for the DCC to challenge its Service Providers on the responses submitted, as well as address complex or high volumes of clarification requests. It also reflects the increased number of Service Providers potentially needing to feed into the Preliminary Assessment, considering the S1SPs might also be impacted. Given this, the current 15 Working Day SLA agreed under SECMP0034 is unachievable for most Preliminary Assessments without impacting on the quality of the DCC's response.

The proposed 25 Working Day SLA accounts for the number of DCC Service Providers and that some Service Providers have service providers of their own to engage with. The improvements that the DCC has implemented following its Collaborative Design Review means it is now achieving this proposed SLA for most Preliminary Assessments. Eleven out of the 16 Preliminary Assessments returned in 2021/22 were returned within 25 Working Days, and only two exceeded 30 Working Days. Updating the SEC to reflect the achievable performance will provide greater clarity to Parties on what they can expect from the DCC. The DCC will endeavour to deliver Preliminary Assessments before the proposed SLA where possible. These would likely be those that impact a single or small number of Service Providers, but most commonly those that only require assessments from the Data Service Provider (DSP).

In summary, the changes to the rules for DCC Assessments are intended to better facilitate the DCC in providing more comprehensive assessments. The ability to seek more time for DCC Assessments and the increased SLA for Preliminary Assessments will ensure the DCC is able to produce quality assessments which better inform Proposers, the Working Group and the Change Sub-Committee when considering the progression of modifications and their solutions. This in turn will enable the subsequent steps of the modification framework to progress more smoothly.

Industry views

All four Refinement Consultation respondents agreed with the revised provisions for the DCC being able to request an extension to complete a DCC Impact Assessment.

One respondent suggested that the Panel should first get the request to approve an extension rather than being given an opportunity to overturn a SECAS decision. SECAS noted this is the approach essentially in place now . It advised it had proposed that SECAS be given the first sign-off for a request to extend a DCC Impact Assessment in order to keep the process as efficient as possible. If the request had to go to straight to the Panel first, it could result in waiting up to a month for a decision on the request. SECAS clarified that it's proposal would still allow the Panel to review all requests to extend a DCC Impact Assessment and if it overruled SECAS' decision, the SLA that the assessment is subsequently measured against would be revised accordingly.

Simplifying MRCs

Proposals and Working Group views

SECAS put forward two proposals for how MRCs could be streamlined:

- **Proposal A:** The MRC could be made optional for any modification that undergoes the Refinement Process
- **Proposal B:** All modifications undergo the Refinement Process for industry consultation before the Modification Report is finalised and issued for vote

Working Group members preferred proposal A over proposal B with proposal B being deemed over complicated and not necessarily more efficient than the current process. However, members also questioned if proposal A is an improvement on the current process. They considered that MRCs play a key role in the Modification Process with some Parties choosing to submit their views to this consultation rather than in the Refinement Consultation. They considered the MRC has value in that it gives Parties a final chance before the Change Board vote to submit views that could improve the modification. One member did agree that there are sometimes too many consultations for less complex modifications and agreed it was worth investigating any potential improvements.

SECAS agreed it would seek further views through the Refinement Consultation and would include the possibility to support a 'do nothing' option. This had been raised under the review to explore whether there were any enhancements that could be made to MRCs to improve efficiency. However, there has been no strong support for change to date. If there remains no significant support for change, SECAS would recommend leaving the MRC arrangements unchanged.

Industry views and subsequent discussion

SECAS sought views on the proposals via the Refinement Consultation. Mixed responses were received with no clear views that the existing provisions needed to be changed. Two Network Parties preferred proposal A but suggested a variation whereby the Working Group could delegate powers to a party category to refine and approve the legal text working with the Proposer and overseen by SECAS. SECAS noted the proposed variation. However, it did not believe it impacted the provisions for MRCs, nor did it believe it needed to be codified. However, it agreed it will review if this could be included within the Working Group's terms of reference. SECAS advised Party categories can already

be used to refine legal text but all legal text must ultimately be considered by the Panel and subsequently decided upon by the Change Board or the Authority.

Considering the lack of a clear view from industry that the MRC provisions need be changed or for a preference on either of SECAS' proposals, SECAS will not look to enhance the existing provisions for this area. It believes both proposals, if made, would have minimal benefit.

Conclusion
The existing provisions for MRCs will remain unchanged and SECAS will not look to enhance them.

Consulting on Authority-Led Modification Reports

The current provisions for Authority-Led Variations require the Panel (delegated to the CSC) to consider the Authority-Led Modification Report and to refer it to the Change Board. However, the wording of the SEC is unclear over whether further industry consultation is permitted to take place following this referral to support the Change Board and the Authority in their decisions.

Furthermore, the SEC currently sets out that "*the Authority will, in such manner as it considers appropriate, consult on the merits of the proposed Authority-Led Variation with the Parties, Citizens Advice, Citizens Advice Scotland, and any other persons whose interests are materially affected by this Code*" (SEC Section D9A.3). However, it is not clear whether the Authority is expected to complete any such consultation prior to submitting the Authority-Led Modification Report to the Panel, or if this can be done as part of the mechanism for obtaining the Change Board's recommendation.

Therefore, to provide clarity, a provision is proposed to be added to SEC Section D confirming that the Authority can direct a consultation on the Authority-Led Modification Report be included as part of an Authority-Led Variation's progression. This consultation would be subject to the same provisions as Modification Report Consultations, except that the duration would subject to any direction by the Authority. MP200 'Faster Switching consequential changes to the SEC' underwent a consultation before the Change Board decision and the clarification comments raised on the legal text provide an example of the added benefit of consulting before the Change Board votes on an Authority-Led Variation.

Making the CSC's role in overseeing the Modification Process enduring

Rationale

In July 2021, the Panel fully delegated its duties for overseeing modifications' progression and timetables to the CSC, as recommended under the review. SECAS agreed to monitor how well this is working and if successful, it would also recommend the relevant parts of SEC Section D be updated through this modification to make these arrangements enduring. Since July 2021, the CSC has approved 24 Modification Reports. SECAS also considers the CSC to have provided robust and effective challenges to modifications and that its enhanced role is working as intended. SECAS therefore believes the CSC's enhanced role should be made enduring.

SECAS notes potential risks with the CSC's role in the Modification Process being made enduring and codified in the SEC. This could result in the Panel losing sight of modifications it ought to be made aware of, or for decisions on important or high-costing modifications being made on behalf of the Panel with no opportunity for the Panel to input or overrule the decision (SEC Sections C6.13 to C6.15). The Panel also may not be able to take back these responsibilities later. SECAS reports on all

the CSC's decisions and activities to the Panel each month through the Operations Report. To date, SECAS has not received any feedback to suggest these arrangements should not continue. However, SECAS intended to consider this with the Panel and the CSC during refinement and obtain feedback from these groups on this part of the solution, along with views from Parties through the Refinement Consultation.

The Working Group had no comments on SECAS' proposals to update the relevant parts of Section D to reflect the CSC's enhanced role in the Modification Process as enduring. All four Refinement Consultation respondents were also in favour of this proposal.

Panel views and subsequent conclusion

SECAS raised the potential risks with the CSC's role in the Modification Process being made enduring with the Panel and raised two proposals to mitigate these risks.

The Panel raised some concerns about the proposed changes. It queried whether the CSC is robust enough in terms of membership, representation, and discussion, and whether it is a suitable authority for this level of control. SECAS assured the Panel that the CSC membership is representative of all Party types, as is the Panel, and quoracy is ensured every meeting, especially when there are vacancies. A Panel and CSC member agreed that quoracy is always ensured but did raise concerns that the Panel does not always get full oversight of the issues discussed at CSC. The Panel Chair raised concerns that it is unusual for the Panel to delegate total responsibility without some oversight when decisions are being made in its name.

A Panel member challenged whether giving both the Change Board and the CSC roles in the Modification Process is efficient and if the groups could be merged, However, SECAS explained that having a separate group with a larger membership making the final decision on modifications (the Change Board) gives greater comfort to Parties that decisions are not being made by an exclusive group.

SECAS presented three proposed approaches:

- **Approach 1 (preferred by SECAS):** Additional wording could be added to SEC Sections C and/or D. This would enable the Panel to review the CSC's decisions related to modifications at its discretion if it deemed it appropriate to do so.
- **Approach 2:** Introduce a cost threshold. If the implementation cost exceeded this, the CSC would have to recommend to the Panel whether the modification should move to the next stage of the framework, and the Panel then approve the stage progression.
- **Approach 3:** The responsibilities set out in SEC Section D remain with the Panel, with these continuing to be delegated to the CSC via the Delegations Register.

The Panel discussed the proposals and was uncomfortable with the first approach. The Panel discussed the second approach, whereby the CSC could present a monthly paper for Panel endorsement, or if there is not sufficient support at CSC then this could be referred to the Panel. A member queried whether the Panel would be making more work for itself and whether it should just trust the CSC to fulfil its role. Therefore, the Panel discussed the third approach, whereby the Panel's responsibilities continue to be delegated with Section D remaining unchanged. The Panel agreed it would benefit from more visibility of modifications if the delegation were left in place, and SECAS agreed it could provide enhanced reporting to keep the Panel informed.

Conclusion
The proposal to make the CSC's role in overseeing the Modification Process enduring and codified was dropped from the Proposed Solution. The responsibilities set out in SEC Section D will remain with the Panel, with these continuing to be delegated to the CSC via the Delegations Register, but with enhanced monthly reporting to the Panel.

Alignment and re-wording of SEC Section D

SECAS also recommended that this modification be used to holistically update the whole of Section D to ensure it is fully clear, which the Working Group supported. This includes restructuring the document to ensure it aligns with the order of steps taken in the Modification Process, removing repeated areas of text, and updating definitions for terms in Section A to increase transparency. The updated definitions are intended to provide a clear explanation of the term rather than simply referring to other sections of the SEC where the term is described.

All four Refinement Consultation respondents agreed the proposed re-worded clauses are in sufficiently plain English and that the restructure of SEC Section D aligns better with the order of steps in which the process is carried out. They also agreed that overall the proposed legal text would deliver MP186.

Path of Panel-raised Modification Proposals

Rationale

Due to the Panel's previous role in overseeing the Modification Process, Section D currently requires that any Modification Proposal raised by the Panel must undergo the Refinement Process. Noting the proposal that the CSC oversees the Modification Process on an enduring basis, SECAS questioned the efficiency of this provision. SECAS considered that the CSC should be able to determine the path of Panel-raised modifications as it would a Party-raised modification, which may be that it is suitable to progress directly to the Report Phase. In order to go straight to the Report Phase, the proposal would still have to meet the remaining criteria in Section D to not need the Refinement Process.

Industry views and subsequent conclusion

Views were sought on this proposal via the Refinement Consultation. It received mixed responses with one respondent unsure of the question being asked.

However, considering the decision to not take forward the proposal to make the CSC's delegated responsibilities in the Modification Process enduring, SECAS believed these provisions should remain unchanged. This would mean all modifications raised by the Panel would remain having to be subject to the Refinement Process. This will futureproof the arrangements should the Panel later decide to revert modification oversight to itself which it could do with these responsibilities continuing to be delegated and not codified.

Conclusion
All modifications raised by the Panel will remain having to be subject to the Refinement Process.

8. Case for change

Business case

This modification will benefit SECAS, the DCC and all SEC Parties through increased efficiency and transparency. Efficiency and transparency will go hand-in-hand by helping Parties to navigate the Modification Process and ensuring they provide the information needed by the Code Administrator and the various groups that oversee the process, in order to prevent undue to delays. A more efficient process may also encourage more Parties to raise Draft Proposals that could drive further improvements to the SEC.

SECAS noted and the Working Group subsequently agreed with the following benefits and impacts of this modification:

- Parties will benefit from the enhanced efficiencies in the Modification Process and the improved wording of SEC Section D
- The DCC will be able to further challenge and deliver higher quality Preliminary Assessments within the SLA
- The DCC will be more likely to meet the DCC assessment targets set out in the SEC
- DCC assessment statistics will better reflect DCC's performance where it has had to pause an assessment for reasons it cannot control
- There is no detrimental impact on the consumer from these changes

Noting the costs and benefits, all four Refinement Consultation respondents believed this modification should be approved.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that General SEC Objective (g)[5] will be better facilitated as a result of this modification. This is by enhancing the efficiency of the SEC Section D Modification Process, including updating the process to ensure it aligns with current working practices and to increase its transparency.

Industry views

The Working Group and all four Refinement Consultation respondents agreed with the Proposer's view that this modification would better facilitate General SEC Objective (g).

[5] To facilitate the efficient and transparent administration and implementation of this Code.

Views against the consumer areas

Improved safety and reliability

The Modification Proposal is neutral against this consumer benefit area.

Lower bills than would otherwise be the case

The Modification Proposal is neutral against this consumer benefit area.

Reduced environmental damage

The Modification Proposal is neutral against this consumer benefit area.

Improved quality of service

The Modification Proposal is neutral against this consumer benefit area.

Benefits for society as a whole

The Modification Proposal is neutral against this consumer benefit area.

Final conclusions

All respondents to the Refinement Consultation agreed that MP186 should be approved. One respondent made a handful of suggestions to alter the Proposed Solution. SECAS advised the respondent on those suggestions that were not taken forward and the reasons why. The respondent agreed with SECAS's rationale for those cases.

The Working Group assessed the MP186 solution and its comments were considered before the Refinement Consultation was issued. The Working Group was supportive of MP186 and believed it should be approved. Following the Refinement Consultation, no material changes were made to the Proposed Solution, although some elements were taken out following the feedback received through consultation. As such, the Working Group was not reconvened.

The Panel considered the elements of the Proposed Solution impacting its delegated responsibilities on the Modification Process. It felt its delegated responsibilities should continue to be delegated rather than given to the CSC on an enduring basis. The Panel also agreed the responsibility to approve Impact Assessment requests should be moved from the Change Board to the CSC with this becoming a power delegated by the Panel. Overall, the Panel was supportive of the aims of MP186.

Appendix 1: Progression timetable

On 21 June 2022, the CSC approved the Modification Report. A Modification Report Consultation will be issued closing on 13 July 2022, before it is voted on by the Change Board on 27 July 2022. This modification will be Authority Determined.

Timetable	
Event/Action	**Date**
Draft Proposal raised	19 Oct 2021
CSC converts Draft Proposal to Modification Proposal	26 Oct 2021
Modification discussed with Working Group	2 Feb 2022
SECAS drafts legal text	Feb 2022 – Apr 2022
Refinement Consultation	14 Apr 2022 – 17 May 2022
Modification Report approved by CSC	21 Jun 2022
Modification Report Consultation	22 Jun 2022 – 13 Jul 2022
Change Board Vote	27 Jul 2022
Authority decision (anticipated date)	31 Aug 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**
CSC	Change Sub-Committee
CSP	Communications Service Provider
DCC	Data Communications Company
DSP	Data Service Provider
MRC	Modification Report Consultation
RFI	request for information
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SLA	Service level agreement
SMETS	Smart Metering Equipment Technical Specifications

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MP186 'Section D Review (2020): further enhancements'

Annex B

Legal text – version 1.0

About this document

This document contains the clean changes to SEC Section D 'Modification Process' that would be required to deliver this Modification Proposal.

These changes have been drafted against Section D version 8.0.

D MODIFICATION PROCESS

D1. RAISING DRAFT PROPOSALS

Modifications

D1.1 This Code may only be varied in accordance with the provisions of this Section D.

D1.2 Each variation of this Code must commence with a proposal made in accordance with the provisions of this Section D1 (Raising Draft Proposals) or a direction under Section D11 (Significant Code Reviews and Authority-Led Variations).

D1.3 A Draft Proposal may be raised to identify and assess an issue with this Code and determine whether a variation to this Code is required to resolve it, subject to the provisions of Section D4 (Development Stage).

D1.4 A Draft Proposal may be converted to and subsequently progressed as a Modification Proposal to develop and assess a variation to this Code to resolve the identified issue once the Panel has agreed it should be progressed further in accordance with Sections D4.5 and D4.6 (Consideration by the Change Sub-Committee).

Persons Entitled to Submit Draft Proposals

D1.5 A Draft Proposal may be submitted by any of the following persons (the **Proposer**):

(a) a Party;

(b) Citizens Advice or Citizens Advice Scotland;

(c) any person or body that may from time to time be designated in writing by the Authority for the purpose of this Section D1.5;

(d) the Authority or the DCC acting at the direction of the Authority, but in each case only in respect of variations to this Code which are in respect of a Significant Code Review;

(e) the Panel (where all Panel Members at the relevant meeting vote unanimously in favour of doing so), but only in respect of variations to this Code which are intended to give effect to:

(i) recommendations contained in a report published by the Panel pursuant to Section C2.3(i) (Panel Duties);

(ii) recommendations contained in a report published by the Code Administrator pursuant to Section C7.2(c) (Code Administrator); and/or

(iii) Fast-Track Modifications (as described in Section D2.8 (Fast-Track Modifications));

(f) the Security Sub-Committee in accordance with Section G7.23 (Modifications);

(g) the SMKI PMA in accordance with Section L1.19 (Modification of the SMKI SEC Documents and the S1SPKM SEC Documents by the SMKI PMA); and/or

(h) the REC Code Manager and/or the Code Administrator where a Consequential Change to this Code has been identified.

Form of the Draft Proposal

D1.6 The Proposer must submit a Draft Proposal to the Code Administrator.

D1.7 The Code Administrator shall publish a prescribed form for submitting a Draft Proposal on the Website, which shall require, as a minimum:

(a) the name of the Proposer;

(b) the name and contact details of the individual who will act as a principal point of contact in relation to the proposal;

(c) a description in sufficient detail of the issue the Draft Proposal is intended to address and the impacts that will arise if this issue is not addressed;

(d) a description of how the issue relates to this Code;

(e) where able to, a description in sufficient detail of the proposed variation to this Code should the Draft Proposal become a Modification Proposal;

(f) a statement of the reasons why the Proposer believes that this Code would, if the proposed variation were made, better facilitate the achievement of the SEC Objectives than if that variation were not made;

(g) a statement of whether the Proposer considers, in the light of any guidance on the topic issued by the Authority from time to time, that the Modification Proposal should be treated as an Urgent Proposal (and, if so, its reasons for so considering); and

(h) a statement of whether or not the Modification Proposal is intended to be a Fast-Track Modification.

Publication of the Draft Proposal

D1.8 Within 5 Working Days after receiving each Draft Proposal from a Proposer, the Code Administrator shall confirm if there is any additional information it reasonably needs (and shall provide a description of such required additional information) to publish the Draft Proposal on the Website or shall otherwise confirm that the Draft Proposal has been accepted and subsequently publish it on the Website. The Proposer, whenever possible, shall provide any information so requested (where it has such information), or shall otherwise co-ordinate efforts to obtain such information.

D1.9 Where additional information is requested, the Code Administrator shall, within 2 Working Days after receiving such additional information, confirm if there is still more additional information it reasonably needs (and provide a description of such required additional information) to publish the Draft Proposal on the Website or shall otherwise confirm that the submission of a Draft Proposal has been accepted and subsequently publish it on the Website.

Invalid Draft Proposals

D1.10 The Code Administrator shall refuse (and may only refuse) to accept the submission of a Draft Proposal that is not submitted:

(a) by a person entitled to submit Draft Proposals in accordance with Section D1.5 (Persons Entitled to Submit Draft Proposals); and/or

(b) in the form, and containing the content, required by Section D1.7 (Form of the Draft Proposal).

D1.11 Where the Code Administrator refuses to accept the submission of a Draft Proposal, it shall notify the Panel and the Proposer of that refusal as soon as is reasonably practicable, setting out the grounds for such refusal.

D1.12 Where the Panel is notified that the Code Administrator has refused to accept the submission of a Draft Proposal, the Panel may instruct the Code Administrator to accept the submission of that proposal (and Section D4.1 (Initial Comment by the Code Administrator) shall apply as if the Code Administrator had not refused to accept the Draft Proposal).

D2. MODIFICATION PATHS

General

D2.1 Each Modification Proposal raised under Section D1 (Raising Draft Proposals) will follow one of four modification paths (as described in this Section D2). The modification path to be followed in respect of a Modification Proposal will depend upon the nature of the variation proposed in the Modification Proposal. Authority-Led Variations follow a different process, as descried in Section D11 (Significant Code Reviews and Authority-Led Variations).

D2.2 The Panel's determination (whether under Section D6.7(b) or subsequently) of whether a Modification Proposal is a Self-Governance Modification shall be conclusive unless and until any contrary determination is made by the Authority in accordance with Section D2.9 (Authority Determination of Modification Path).

D2.3 Where the Panel raises a Fast-Track Modification, such Modification Proposal shall be treated as a Fast-Track Modification unless and until any contrary determination is made by the Authority in accordance with Section D2.10 (Authority Determination of Modification Path).

Authority-Initiated Modifications

D2.4 A Draft Proposal submitted pursuant to Section D1.5(d), by either the Authority or the DCC at the direction of the Authority, shall have the status of an Authority-Initiated Modification.

D2.5 The DCC shall submit a Draft Proposal in respect of any variations arising out of a Significant Code Review that the DCC is directed to submit by the Authority.

Authority-Determined Modifications

D2.6 Unless it is an Authority-Initiated Modification, a Modification Proposal that proposes variations to this Code that satisfy one or more of the following criteria shall have the status of an Authority-Determined Modification:

(a) the variations are likely to have a material effect on existing or future Energy Consumers;

(b) the variations are likely to have a material effect on competition in the Supply of Energy or Commercial Activities connected with the Supply of Energy;

(c) the variations are likely to have a material effect on the environment, on access to or privacy of Data, on security of the Supply of Energy, and/or on the security of Systems and/or Smart Metering Systems;

(d) the variations are likely to have a material effect on the arrangements set out in Section C (Governance) or this Section D; and/or

(e) the variations are likely to unduly discriminate in their effects between one Party (or class of Parties) and another Party (or class of Parties).

Self-Governance Modifications

D2.7 A Modification Proposal that is not an Authority-Initiated Modification, an Authority-Determined Modification or a Fast Track Modification shall have the status of a Self-Governance Modification.

Fast-Track Modifications

D2.8 A Modification Proposal submitted to correct typographical errors or other minor factual inaccuracies or inconsistencies in this Code that do not constitute material changes may be given the status of a Fast-Track Modification.

Authority Determination of Modification Path

D2.9 This Section D2.9 applies in respect of each Modification Proposal that the Panel has determined to be an Authority-Determined Modification or a Self-Governance Modification. The Authority may:

(a) at its own initiation, or on the application of a Party or Citizens Advice or Citizens Advice Scotland; and

(b) having consulted with the Panel,

determine that the Modification Proposal should properly (in accordance with this Section D2) be considered (in the case of an Authority-Determined Modification) to be a Self-Governance Modification or be considered (in the case of a Self-Governance Modification) to be an Authority-Determined Modification. Any such determination shall be final and binding for the purposes of this Code.

D2.10 This Section D2.10 applies in respect of each Modification Proposal raised by the Panel as a Fast-Track Modification. The Authority may:

(a) at its own initiation, or on the application of a Party or Citizens Advice or Citizens Advice Scotland; and

(b) having consulted with the Panel,

determine that the Fast-Track Modification should properly (in accordance with this Section D2) be considered to be a Self-Governance Modification or an Authority-Determined Modification. Any such determination shall be final and binding for the purposes of this Code.

D3. THE CHANGE SUB-COMMITTEE

Establishment of the Change Sub-Committee

D3.1 The Panel shall establish a Sub-Committee as described in this Section D3, to be known as the Change Sub-Committee.

D3.2 Save as expressly set out in this Section D3, the Change Sub-Committee shall be subject to the provisions concerning Sub-Committees set out in Section C6 (Sub-Committees).

Duties of the Change Sub-Committee

D3.3 The Change Sub-Committee shall undertake the duties required of it by this Section D.

D4. DEVELOPMENT STAGE

Initial Comment by the Code Administrator

D4.1 Unless the Code Administrator has refused to accept the submission of the Draft Proposal under Section D1.10 (Invalid Draft Proposals), the Code Administrator shall, within the time period reasonably necessary to allow the Change Sub-Committee to comply with the time periods set out in Section D4.3 or the Panel to comply with the time periods set out in Section D4.9, submit to the Change Sub-Committee or the Panel:

(a) each Draft Proposal; and

(b) the Code Administrator's written views on the matters that the Change Sub-Committee is to consider under Section D4.5 or the Panel is to consider under Section D4.9.

Consideration by the Change Sub-Committee

D4.2 Each Party shall be free to make written representations from time to time regarding each Draft Proposal. Such representations should be made to the Code Administrator in the first instance and the Code Administrator shall bring such representations to the attention of the Change Sub-Committee.

D4.3 Subject to Section D4.9, the Change Sub-Committee shall consider each new Draft Proposal and the accompanying documents referred to in Section D4.1 at the next Change Sub-Committee meeting occurring more than 6 Working Days after the Code Administrator has accepted and published the Draft Proposal in accordance with Section D1.8 or D1.9 (Publication of the Draft Proposals).

D4.4 The Change Sub-Committee may not refuse an Authority-Initiated Modification. Otherwise, the Change Sub-Committee may choose to refuse a Draft Proposal if that Draft Proposal has substantively the same effect as another Draft Proposal or Modification Proposal which was submitted by a Proposer on an earlier date and which:

(a) has not been refused, approved, rejected or withdrawn pursuant to this Section D at the time of the Change Sub-Committee's decision under this Section D4.4; or

(b) was refused or rejected pursuant to this Section D on a date falling within the period of two months immediately preceding the time of the Change Sub-Committee's decision under this Section D4.4.

D4.5 In considering each Draft Proposal, the Change Sub-Committee shall:

(a) provide views and comments to the Proposer on the scope of their Draft Proposal and any potential solution(s) and draft legal text put forward, and support the development of the Draft Proposal;

(b) at its discretion, seek the views and input of the DCC and/or other Parties on the Draft Proposal; and

(c) determine whether the Draft Proposal:

(i) should remain as a Draft Proposal for further work and analysis to clarify the areas set out in Section D4.6; or

(ii) whether the Draft Proposal should be converted to and further progressed as a Modification Proposal.

D4.6 In determining whether a Draft Proposal should be progressed as a Modification Proposal, the Change Sub-Committee shall ensure that the Draft Proposal:

(a) defines the issue or business problem that the Draft Proposal seeks to address;

(b) describes the nature and scale of the impact that will arise if the issue is not resolved;

(c) describes how a variation to this Code is required to address this issue and the relevant parts of this Code that are likely to be impacted; and

(d) provides an indicative view of the proposed variation to this Code to address this issue and the likely scale of the impact and/or cost arising from this variation.

Consideration by the Panel

D4.7 Where the Change Sub-Committee determines that a Draft Proposal should be progressed as a Modification Proposal or at its own initiation, the Panel shall determine whether the Draft Proposal should be converted to and further progressed as a Modification Proposal or whether the Draft Proposal should be returned to the Change Sub-Committee for further work and analysis to clarify the areas set out in Section D4.6. Where the Panel determines that the Draft Proposal should be converted to and further progressed as a Modification Proposal, it shall subsequently determine:

(a) in the case of Fast-Track Modifications, whether the Modification Proposal should be approved as a Fast-Track Modification (and such approval shall require the unanimous approval of all the Panel Members present at the relevant meeting, otherwise the Modification Proposal shall be progressed as though it is not a Fast-Track Modification);

(b) whether, in accordance with Section D4.12 (Determining whether the Refinement Stage should be followed), it is necessary for the Modification Proposal to go through the Refinement Stage, or whether it can progress straight to the Report Stage;

(c) the timetable to apply in respect of the Modification Proposal, in accordance with the criteria set out in Section D4.13 (Timetable); and

(d) whether the Modification Proposal should be considered together with any other current Modification Proposal(s) (whether because they complement or contradict one another or for any other reason), in which case the Modification Proposals in question shall be considered by the same Working Group.

D4.8 The Secretariat shall, as soon as reasonably practicable following the Change Sub-Committee's determination under Section D4.5 or the Panel's determination under Section D4.7 in respect of each Draft Proposal or Modification Proposal, confirm that determination to the Proposer and update the Modification Register.

Urgent Proposals

D4.9 Where a Proposer has expressed a Draft Proposal to be urgent and/or where the Change Sub-Committee considers a Draft Proposal or Modification Proposal to be urgent, the Panel shall, within 5 Working Days, recommend to the Authority:

(a) whether the Modification Proposal should be treated as an Urgent Proposal; and

(b) the timetable that should be set by the Authority if the Modification Proposal is to be treated as an Urgent Proposal.

D4.10 A Modification Proposal shall only be an Urgent Proposal where the Authority directs the Panel to treat the Modification Proposal as an Urgent Proposal (whether following a referral by the Panel pursuant to Section D4.9, or at the Authority's own initiation).

D4.11 An Urgent Proposal shall be progressed:

(a) in accordance with any timetable specified by the Authority from time to time, and the Panel shall not be entitled to vary such timetable without the Authority's approval; and

(b) subject to any deviations from the procedure set out in this Section D as the Authority may direct (having consulted with the Panel).

Determining whether the Refinement Stage should be followed

D4.12 The Panel shall determine whether each Modification Proposal must undergo the Refinement Stage, or whether it can progress straight to the Report Stage. The Panel shall ensure that the following Modification Proposals are subject to the Refinement Stage:

(a) those submitted by the Panel (other than Fast-Track Modifications);

(b) those that the Panel considers are likely to have an impact on the ability of the DCC to discharge its duties and comply with its obligations under the Relevant Instruments;

(c) those that the Panel considers are likely to require changes to DCC Systems, User Systems and/or Smart Metering Systems, and/or testing as part of implementation; or

(d) any other Modification Proposals, unless the Panel considers them to be clearly expressed and concerned solely with:

(i) insubstantial or trivial changes that are unlikely to be controversial (including typographical errors and incorrect cross-references); and/or

(ii) giving effect to variations that are mandated by the Relevant Instruments in circumstances where there is little or no discretion as to how they are to be given effect.

Timetable

D4.13 The Panel shall determine the timetable to be followed in respect of each Draft Proposal and Modification Proposal. In particular, the Panel shall:

(a) in the case of Authority-Initiated Modifications, determine a timetable consistent with any relevant timetable issued by the Authority;

(b) in the case of Urgent Proposals, determine a timetable that is (or amend the existing timetable so that it becomes) consistent with any relevant timetable issued by the Authority; and

(c) (subject to Sections D4.13(a) and (b)) specify the date by which the Modification Report is to be finalised, being as soon as reasonably practicable after the Panel's decision in respect of such timetable (having regard to the complexity, importance and urgency of the Modification Proposal).

D4.14 The Panel may, whether at its own initiation or on the application of another person, determine amendments to the timetable applying from time to time to each Draft Proposal and Modification Proposal; provided that any such amendment is consistent with Section D4.13. The Secretariat shall, as soon as reasonably practicable following any Panel determination under this Section D4.14, confirm that determination to the Proposer and update the Modification Register.

D4.15 The Panel, the Code Administrator, the Secretariat, any relevant Working Group, the Change Board and Parties shall each (insofar as within its reasonable control) complete any and all of the respective tasks assigned to them in respect of a Draft Proposal or Modification Proposal in accordance with the timetable applying to that Draft Proposal or Modification Proposal from time to time (including as provided for in Section D11.4).

D4.16 In determining or amending a timetable under Sections D4.13 and D4.14, the Panel may specify a time period for delivery of a DCC Impact Assessment that differs from the standard time period set out in Section D5.8 (Analysis by the DCC). Without limitation, the Panel may specify a different time period in respect of Urgent DCC Impact Assessments.

D5. <u>REFINEMENT STAGE</u>

Application of this Section

D5.1 This Section D5 sets out the Refinement Stage. This Section D5 only applies in respect of a Modification Proposal where it is determined that the Modification Proposal is to be subject to the Refinement Stage in accordance with Section D4.12 (Determining whether the Refinement Stage should be followed). The Refinement Stage never applies to Fast-Track Modifications.

D5.2 Each Party shall be free to make written representations from time to time regarding each Modification Proposal which is following the Refinement Stage. Such representations should be made to the Code

Administrator in the first instance and the Code Administrator shall bring such representations to the attention of the relevant Working Group.

Purpose of the Refinement Stage

D5.3 The purpose of the Refinement Stage is to:

(a) consider and (to the extent necessary) clarify the likely effects of the Modification Proposal, including to identify the Parties, Party Categories, Energy Consumers and other persons likely to be affected by the Modification Proposal;

(b) evaluate and (to the extent necessary) develop and refine the proposed variation to this Code set out under the Modification Proposal;

(c) evaluate and (to the extent necessary) recommend a proposed implementation timetable of the Modification Proposal including (where relevant) so as to ensure consistency with the SEC Release Management Policy (provided that the proposed implementation timetable of an Authority-Initiated Modification cannot be so amended);

(d) consider (to the extent the Working Group considers necessary) the impact which the Modification Proposal would have, if approved, on the matters referred to in Section D5.8; and

(e) consider whether the DCC should, as part of the proposal's implementation (if the Modification Proposal is approved), be required to undertake testing of the DCC Total System and/or provide testing services.

Establishment of a Working Group

D5.4 Where this Section D5 applies to a Modification Proposal, the Panel shall establish a group of persons (known as a Working Group) for the purposes set out in Section D5.3 and D5.6. Such Working Groups shall be formed and operate in accordance with terms of reference as agreed by the Panel and published on the Website (known as the Working Group Terms of Reference). The Panel shall consult with Parties before it makes any changes to the Working Group Terms of Reference.

D5.5 Except to the extent inconsistent with this Section D5, the provisions of Section C6 (Sub-Committees) shall apply in respect of each Working Group as if that Working Group was a Sub-Committee.

The role of the Working Group

D5.6 During the Refinement Stage, the Working Group shall:

(a) provide a sounding board to the Proposer;

(b) assist in developing, refining and reviewing proposed solutions to the issue;

(c) review the business requirements and proposed solution options, and put forward alternative options for consideration;

(d) review DCC Impact Assessment responses including the Modification Proposal implementation costs and the costs to complete a DCC Full Impact Assessment;

(e) assess the lead time to deliver the proposed variation and recommend the potential implementation approach and targeted SEC Release;

(f) provide input to any cost-benefit analysis and the business case for the Modification Proposal;

(g) review consultation responses and ensure the points raised have been answered;

(h) consider whether, if the Modification Proposal is approved, this Code would better facilitate the achievement of the SEC Objectives than if the Modification Proposal was rejected;

(i) consider whether it is likely that there would be a material impact on Energy Consumers as a result of the Modification Proposal being approved, and (if so) assessing such impact; and

(j) consider whether it is likely that there would be a material impact on Greenhouse Gas Emissions as a result of the Modification Proposal being approved, and (if so) assessing such impact (which assessment shall be conducted in accordance with any guidance on the evaluation of Greenhouse Gas Emissions issued by the Authority from time to time); and

(k) consider whether, if the Modification Proposal is approved, changes are likely to be required to other Energy Codes as a result.

Input from Sub-Committees

D5.7 During the Refinement Stage, the Code Administrator shall (to the extent the Working Group considers necessary):

(a) seek the Technical Architecture and Business Architecture Sub-Committee's views of the impact which the Modification Proposal would have, if approved, on the DCC Systems and Smart Metering Systems; provided that such views shall always be sought:

(i) in respect of proposals to modify the Technical Code Specifications; and/or

(ii) where the Technical Architecture and Business Architecture Sub-Committee has notified the Working Group that the Technical Architecture and Business Architecture Sub-Committee wishes to express a view;

(b) seek the Security Sub-Committee's views on the Modification Proposal; provided that such views shall always be sought:

(i) in respect of proposals to modify the Security Obligations and Assurance Arrangements; and/or

(ii) where the Security Sub-Committee has notified the Working Group that the Security Sub-Committee wishes to express a view;

(c) seek the SMKI PMA's views on the Modification Proposal; provided that such views shall always be sought:

(i) in respect of proposals to modify the SMKI SEC Documents and the DCCKI SEC Documents; and/or

(ii) where the SMKI PMA has notified the Working Group that the SMKI PMA wishes to express a view; and/or

(d) seek the Alt HAN Forum's views on the Modification Proposal; provided that such views shall always be sought:

(i) in respect of proposals to modify Section Z (The Alt HAN Arrangements);

(ii) in respect of proposals to modify any SEC Subsidiary Document which relates to Section Z (The Alt HAN Arrangements);

(iii) in respect of proposals to modify Section K (Charging Methodology) which are likely to affect the Alt HAN Charges; and/or

(iv) where the Alt HAN Forum (or a Forum Sub-Group acting on its behalf) has notified the Code Administrator that the Alt HAN Forum wishes to express a view.

Analysis by the DCC

D5.8 Each Working Group for a Modification Proposal shall consider whether one or more DCC Impact Assessments should be undertaken in respect of the Modification Proposal. At the request from time to time of the Code Administrator on behalf of a Working Group for a Modification Proposal, the DCC shall prepare a DCC Preliminary Impact Assessment and/or a DCC Full Impact Assessment for one or more (in whole or in part) of the following areas for analysis, for the Proposed Solution and each Alternative Solution, as determined by the Working Group:

(a) whether the DCC should, as part of the proposal's implementation (if that Modification Proposal were to be approved), be required to undertake testing of the DCC Total System and/or provide testing services; and (if so) the DCC's proposals for the scope, phases, timetable and participants for such testing (or, to the extent it is not yet reasonably practicable to determine such matters, its proposals for the process pursuant to which such matters should be developed);

(b) how the ability of the DCC to discharge its duties and comply with its obligations under the Relevant Instruments would be affected if that Modification Proposal were to be approved;

(c) the extent to which changes would be required to DCC Systems if the Modification Proposal were to be approved;

(d) the DCC's best estimate of the likely lead time it would require to implement the Modification Proposal if it were approved; and

(e) the DCC's best estimate of the likely implementation and operating costs associated with the changes that would be required to DCC Systems if the Modification Proposal were to be approved, and any consequential impact on the Charges.

D5.9 Within 5 Working Days (unless otherwise agreed with the Panel) after receiving notice from the Code Administrator of the requirement for a DCC Impact Assessment, the DCC shall confirm if there is any additional information it reasonably needs (and shall provide a description of such required additional information) to complete the DCC Impact Assessment, or shall otherwise confirm that the request for a DCC Impact Assessment has been accepted. The Code Administrator, within 5 Working Days (unless otherwise agreed with the Panel), shall provide any information so requested (where it has such information), or shall otherwise co-ordinate efforts to obtain such information from the Working Group.

D5.10 Where additional information is requested in accordance with Section D5.9 or this D5.10, the DCC shall, within 5 Working Days after receiving such additional information, confirm if there is still more additional information it reasonably needs (and provide a description of such required additional information) to complete the DCC Impact Assessment, or shall otherwise confirm that the request for a DCC Impact Assessment has been accepted.

D5.11 The DCC shall complete each DCC Impact Assessment and present it to the Code Administrator within 25 Working Days (for DCC Preliminary Impact Assessments) or 40 Working Days (for DCC Full Impact Assessments) measured in each case from acceptance by the DCC under Section D5.9 or D5.10, subject to amendments to the timetable made by the Panel under Section D4.13 (Timetable) or agreed in accordance with Section D5.12.

D5.12 Where after accepting a DCC Impact Assessment request under D5.9 or D5.10, the DCC considers at any time that it will not be able to complete that DCC Impact Assessment within the time period required by Section D5.11, the DCC may apply to the Code Administrator for a time extension to complete the DCC Impact Assessment. The DCC shall provide the Code Administrator with the reasons in respect of any such request, and shall propose a revised timescale for delivery with an explanation of how it is to be achieved.

D5.13 Following a request from the DCC for a time extension to complete a DCC Impact Assessment:

(a) the Code Administrator shall, within 1 Working Day of receiving the DCC's request, determine whether to approve or reject the request, and will inform the Panel of its decision; and

(b) the Panel may, at its next meeting, determine whether to reverse the decision of the Code Administrator.

D5.14 Prior to requesting a DCC Full Impact Assessment, the Code Administrator shall refer the Modification Proposal to the Panel for it to determine whether a DCC Full Impact Assessment should be requested. The Working Group shall not request a DCC Full Impact Assessment unless the Panel has determined that it shall be requested. Where the Panel determines that a DCC Full Impact Assessment should not be requested, the Panel shall specify the further work it believes is required in order for it to reconsider whether a DCC Full Impact Assessment should be requested.

D5.15 In considering whether the approval of a Modification Proposal would better facilitate the achievement of the SEC Objectives than the rejection of the Modification Proposal, the Working Group shall have regard to any and all DCC Impact Assessments provided by the DCC.

Refinement Consultation

D5.16 Each Working Group established pursuant to this Section D5 in respect of a Modification Proposal shall consider any representations made to it by Parties from time to time regarding the subject-matter of the Modification Proposal.

D5.17 Each Working Group established pursuant to this Section D5 in respect of a Modification Proposal shall undertake at least one formal consultation in respect of the Modification Proposal seeking views on the matters set out in Section D5.6. The Working Group shall consult with the Parties, Citizens Advice or Citizens Advice Scotland and (where appropriate) any interested third parties (including, where relevant, Energy Consumers and/or those who represent or advise Energy Consumers).

D5.18 For each consultation issued under Section D5.17, the Code Administrator shall:

(a) invite consultation responses in accordance with the timetable determined by the Working Group; and

(b) collate the responses received during the consultation and publish those responses that are not marked as confidential on the Website.

D5.19 Each consultation issued under Section D5.17 shall allow for each Party that wishes to respond to the consultation to respond by way of a form that provides for a response to the questions set out by the Working Group. Each Party's response will only be validly given if made on the forms provided and received on or before the deadline for responses.

Proposed Solutions

D5.20 The Proposer shall have full ownership of the Proposed Solution to a Modification Proposal and may direct changes to this variation at any time during the Refinement Stage as long as any revised solution continues to achieve the purpose of the Modification Proposal.

Alternative Solutions

D5.21 Any of the persons set out in Section D1.5(a), (b) or (c) (Persons Entitled to Submit Draft Proposals) may raise one or more Alternative Solution(s) where they consider that there is more than one variation to this Code that could achieve the purpose of the Modification Proposal (and that each such variation would, if made, better facilitate the achievement of the SEC Objectives than either the Proposed Solution or if no variation was made). Any such person shall have full ownership of the Alternative Solution(s) raised and may

direct changes to such variation(s) at any time during the Refinement Stage as long as any revised solution continues to achieve the purpose of the Modification Proposal.

D5.22 The Proposer or any Party that believes that the proposer of any Alternative Solution is causing undue delay or frustration to the progression of the associated Modification Proposal may refer the matter to the Panel. The Panel shall determine whether the Alternative Solution should be refused, and shall seek and take into account the views of the Working Group or any Sub-Committee when making its determination.

D5.23 References in this Section D to a Modification Proposal shall (except where the context otherwise requires) be deemed to include reference to the Proposed Solution and any Alternative Solution(s) raised in accordance with Section D5.21.

D6. REPORT STAGE

Modification Report

D6.1 The Code Administrator shall, in respect of each Modification Proposal, prepare a written report on the proposal (known as a Modification Report).

D6.2 The Code Administrator shall prepare the Modification Report for each Modification Proposal:

(a) where the Refinement Stage has been followed, in consultation with the relevant Working Group; and

(b) in any case, on the basis of the Modification Proposal and in consultation with the Proposer.

D6.3 The Modification Report for each Modification Proposal shall, as a minimum:

(a) specify the issue the proposed variation is aiming to resolve;

(b) specify and clearly define the Proposed Solution and any Alternative Solution(s);

(c) set out the legal text of the proposed variation to this Code (and, where applicable, set out the legal text of the Proposed Solution and each Alternative Solution);

(d) specify the likely effects of the proposed variation on the DCC, the Code Administrator and SEC Parties if it is implemented, including which Party Categories are likely to be affected by the Modification Proposal;

(e) specify the estimated implementation costs if the proposed variation is approved, including a breakdown of DCC implementation costs, Code Administrator implementation costs and any Party implementation costs;

(f) specify the proposed implementation timetable (including the proposed implementation date);

(g) specify any cost-benefit analysis and business case assessment carried out for the proposed variation;

(h) specify why (in the opinion of the Proposer) the approval of the Modification Proposal will better facilitate the achievement of the SEC Objectives than if the Modification Proposal was rejected;

(i) specify whether it is likely that there would be a material impact on Energy Consumers as a result of the Modification Proposal being approved, and (if so) assessing such impact;

(j) specify whether, if the Modification Proposal is approved, changes are likely to be necessary to other Energy Codes, and whether changes have been proposed in respect of the affected Energy Codes;

(k) specify whether it is likely that there would be a material impact on Greenhouse Gas Emissions as a result of the Modification Proposal being approved, and (if so) assessing such impact (which assessment shall

be conducted in accordance with any guidance on the evaluation of Greenhouse Gas Emissions issued by the Authority from time to time); and

(l) where the Modification Proposal was subject to the Refinement Stage:

(i) specify whether, if the Modification Proposal is approved, the implementation of the Modification Proposal is likely to require changes to DCC Systems, User Systems and/or Smart Metering Systems; and (if so) the likely development, capital and operating costs associated with such changes and any consequential impact on the Charges;

(ii) specify whether, if the Modification Proposal is approved, the DCC is to be required, as part of the Modification Proposal's implementation, to undertake testing of the DCC Total System and/or provide testing services; and (if so) how such testing is dealt with in the Modification Proposal;

(iii) include the non-confidential responses received to any consultation issued in accordance with Section D5.17 (Refinement Consultation) in respect of the Modification Proposal and the Code Administrator and/or the Working Group's responses to these;

(iv) include a summary of any views provided by the Technical Architecture and Business Architecture Sub-Committee, the Security Sub-Committee, the SMKI PMA or the Alt HAN Forum in respect of the Modification Proposal pursuant to Section D5.7 (Input from Sub-Committees); and

(v) include a summary and copies of any and all DCC Impact Assessments provided by the DCC pursuant to Section D5.8 (Analysis by the DCC).

Consideration of the Modification Report

D6.4 Upon completion of the Modification Report, the Code Administrator will place such report on the agenda for the next meeting of the Panel.

D6.5 The Panel shall consider each Modification Report and shall determine whether to:

(a) return the Modification Report back to the Code Administrator for further clarification or analysis (in which case, the Panel shall determine the timetable and terms of reference of such further analysis, including whether any relevant Working Group will need to be consulted); or

(b) allow the Modification Report to proceed to the Report Stage and be issued for Modification Report Consultation.

D6.6 The Panel shall not make any statement regarding whether it believes the Modification Proposal should be successful.

D6.7 Where the Panel determines that a Modification Report is to proceed to the Modification Report Consultation, the Panel shall:

(a) approve the Modification Report;

(b) determine whether the Modification Proposal should proceed as an Authority-Determined Modification or a Self-Governance Modification;

(c) determine the implementation approach for the Modification Proposal, if approved, in accordance with the SEC Release Management Policy; and

(d) determine the timetable for the Modification Report Consultation, including the period for which the consultation is to remain open.

Modification Report Consultation

D6.8 Where the Panel determines that a Modification Report is to proceed to the Modification Report Consultation, the Code Administrator shall arrange for a consultation seeking the views of Parties on the Modification Report (known as a Modification Report Consultation). The Code Administrator shall:

(a) invite consultation responses in accordance with the timetable determined by the Panel and in the form referred to in Section D6.9;

(b) collate the responses received during the consultation, and publish those responses that are not marked as confidential on the Website; and

(c) place the Modification Report on the agenda for the next meeting of the Change Board following the collation of such consultation responses.

D6.9 Each Modification Report Consultation shall allow for each Party that wishes to respond to the consultation to respond by way of a form that provides for a response in one of the following manners (where applicable, in respect of the Proposed Solution Proposal and the Alternative Solution(s) separately):

(a) 'neutral' where the Party considers that it and its Party Category are unlikely to be affected by the Modification Proposal or where the Party wishes to abstain from providing a view;

(b) 'approve' where the Party considers that making the variation would better facilitate the achievement of the SEC Objectives than if the variation was rejected; or

(c) 'reject' where the Party considers that not making the variation would better facilitate the achievement of the SEC Objectives than if the variation was approved,

and which prompts the Party to give a reason for its response by reference to the SEC Objectives.

D6.10 Each Party's response to a Modification Report Consultation will only be validly given if made on the forms provided and received on or before the deadline for responses.

D7. THE CHANGE BOARD AND THE CHANGE BOARD VOTE

Establishment of the Change Board

D7.1 The Panel shall establish a Sub-Committee as described in this Section D7, to be known as the Change Board. Save as expressly set out in this Section D7, the Change Board shall be subject to the provisions concerning Sub-Committees set out in Section C6 (Sub-Committees).

Function of the Change Board

D7.2 The function of the Change Board shall be to decide whether to approve each Modification Proposal and each Authority-Led Variation, as further described in this Section D7.

D7.3 The effect of the Change Board decision shall:

(a) in the case of Authority-Initiated Modifications, Authority-Determined Modifications and Authority-Led Variations, be to recommend to the Authority that the variation be approved or rejected; or

(b) in the case of Self-Governance Modifications, be to approve or reject the variation.

Membership of the Change Board

D7.4 The following persons shall serve on the Change Board (each being a Change Board Member):

(a) one person nominated jointly by Citizens Advice and Citizens Advice Scotland;

(b) one person appointed by each of the Voting Groups within the Party Category representing the Large Supplier Parties;

(c) three persons appointed by the Party Category representing the Small Supplier Parties;

(d) three persons appointed by the Party Categories representing the Electricity Network Parties and the Gas Network Parties collectively; and

(e) three persons appointed by the Party Category representing the Other SEC Parties.

D7.5 Each Voting Group, Party Category or Party Categories (as applicable) referred to in each sub-section of Section D7.4 shall nominate its appointee(s) to serve as Change Board Member(s) to the Secretariat. Each Change Board Member shall serve for a term of two years and shall be capable of being reappointed at the end of that term. The relevant Voting Group, Party Category or Party Categories may (on notice to the Secretariat) establish a rota whereby more than one person shares the office of Change Board Member.

D7.6 It shall be for the Parties within the relevant Party Category or Party Categories (as applicable) referred to in each sub-section of Section D7.4 to determine how they agree between themselves on the identity of each person to be appointed as a Change Board Member on their behalf. In the event that the Parties within such Party Category or Party Categories cannot so agree, the Secretariat shall seek the preference of the Parties within the relevant Party Category or Party Categories (as applicable) and the person preferred by the majority of those Parties that express a preference (on a one-vote-per-Voting Group basis) shall be appointed as a Change Board Member. In the absence of a majority preference, the Secretariat shall determine the Elected Member by drawing lots, to be witnessed by the Change Board chair.

D7.7 The Panel shall only be entitled to remove a Change Board Member from office where such Change Board Member is repeatedly absent from meetings to an extent that frustrates the proceedings of the Change Board. The Voting Group by which a Change Board Member was appointed pursuant to Section D7.4(b) shall be entitled to remove that Change Board Member by notice in writing to the Secretariat. The Party Category or Party Categories (as applicable) referred to in each other sub-section of Section D7.4 shall be entitled to remove the Change Board Member appointed by them from office by notice in writing to the Secretariat; provided that the majority of the Parties within the relevant Party Category or Party Categories (as applicable) must approve such removal.

Duties of Change Board Members

D7.8 The Consumer Member serving on the Change Board will, when acting as a Change Board Member, act in a manner consistent with the statutory functions of Citizens Advice or Citizens Advice Scotland. Each other Change Board Member will act in the interests of the Voting Group, Party Category or Party Categories (as applicable) by which the Change Board Member was appointed.

D7.9 In giving effect to their duties under Section D7.8, each Change Board Member (other than the Consumer Member) shall:

(a) be guided (but not bound) by the responses to the Modification Report Consultation given by Parties within the Voting Group, Party Category, or Party Categories (as applicable) by which such Change Board Member was appointed;

(b) seek to clarify with the relevant Party any responses to the Modification Report Consultation that are not clear to the Change Board Member, or which the Change Board Member considers to be based on a misunderstanding of the facts;

(c) seek to act in the best interests of the majority, whilst representing the minority view (and, where a majority is not significant, the Change Board Member should consider whether abstention from the vote best represents the interests of the Change Board Member's constituents); and

D7.10 The confirmation to be given by each Change Board Member to SECCo in accordance with Section C6.9 (Member Confirmation) shall refer to Section D7.8 in place of Section C6.8.

Proceedings of the Change Board

D7.11 The Code Administrator shall chair the Change Board meetings. The chair shall have no vote (casting or otherwise).

D7.12 The quorum for Change Board meetings shall be:

(a) at least three persons appointed by the Large Supplier Parties;

(b) at least one person appointed by the Small Supplier Parties;

(c) at least two persons appointed by the Electricity Network Parties and Gas Network Parties collectively; and

(d) at least one person appointed by the Other SEC Parties,

provided that fewer (or no) appointees from a Party Category shall be required where that Party Category has not appointed that many (or any) Change Board Members.

D7.13 In addition to those persons referred to in Section C5.13, representatives of the DCC shall be entitled to attend and speak (but not vote) at each meeting of the Change Board.

The Change Board Vote

D7.14 In respect of each Modification Report referred to the Change Board, the Change Board shall vote:

(a) other than for Authority-Led Variations, whether to determine that the Modification Report should be returned to the Code Administrator for further clarification or analysis; and if not

(b) whether to approve the correction of any non-material typographical errors or other minor factual inaccuracies or inconsistencies within the legal text that do not change the intention of the Modification Proposal identified following the Modification Report Consultation; and

(c) whether to approve the Proposed Solution or any Alternative Solution set out in the Modification Report (on the basis that the Change Board may only approve one of them).

D7.15 A vote referred to in Section D7.14 shall take the form of a vote by:

(a) the Consumer Member serving on the Change Board;

(b) the Change Board Members appointed by the Voting Groups within the Party Category representing the Large Supplier Parties (whose collective vote shall be determined in accordance Section D7.16);

(c) the Change Board Members appointed by the Party Category representing the Small Supplier Parties (whose collective vote shall be determined in accordance with Section D7.16);

(d) the Change Board Members appointed by the Party Categories representing Electricity Network Parties and the Gas Network Parties (collectively) (whose collective vote shall be determined in accordance with Section D7.16); and

(e) the Change Board Members appointed by the Party Category representing the Other SEC Parties (whose collective vote shall be determined in accordance with Section D7.16),

and a vote pursuant to Section D7.14 shall only be successfully passed if the majority of the votes cast in accordance with this Section D7.15 are cast in favour. For the avoidance of doubt: an abstention shall be treated as if no vote was cast; where there are no Change Board Members present from within the categories referred to in each of Sections D7.15(a) to (e) they shall be deemed to have abstained; and a tie amongst the votes cast shall not be a vote in favour.

D7.16 Each of the collective votes by Change Board Members referred to in Section D7.15(b) to (e) shall be determined by a vote among the relevant Change Board Members, such vote to be undertaken on the basis:

(a) of one vote per Change Board Member; and

(b) that the majority of those Change Board Members that are present must vote in favour in order for the collective vote to be considered a vote in favour (and, for the avoidance of doubt, a tie amongst the votes cast shall not be a vote in favour).

D7.17 In casting their vote, each Change Board Member must record the reason for their vote, and where voting on whether or not to approve a variation must explain whether the making of the variation would better facilitate the achievement of the SEC Objectives than if the variation was rejected.

Communicating the Change Board Vote

D7.18 Following the vote of the Change Board in respect of each Modification Report, the Code Administrator shall update the Modification Register to include the outcome of the vote and the reasons given by the Change Board Members pursuant to Section D7.17.

D7.19 Where the outcome of the Change Board vote is to determine that the Modification Report should be returned for further clarification or analysis (as referred to in Section D7.14(a)), the Code Administrator shall update the Modification Report to include such clarification or analysis, and may, or where directed by the Panel shall, consult with the relevant Working Group in doing so, and this shall be returned to the Panel at the next suitable meeting pursuant to Section D6.4 (Consideration of the Modification Report).

D7.20 Where the Change Board votes on whether to approve a variation set out in a Modification Report (as referred to in Section D7.14(c)), the Code Administrator shall communicate the outcome of that vote to the Authority, the Change Sub-Committee and the Panel, and shall send copies of the following to the Authority:

(a) the Modification Report;

(b) the Modification Report Consultation and the responses received in respect of the same; and

(c) the outcome of the Change Board vote, including the reasons given by the Change Board Members pursuant to Section D7.17.

D8. MODIFICATION PROPOSAL DECISION

Authority-Initiated Modifications and Authority-Determined Modifications

D8.1 An Authority-Initiated Modification or an Authority-Determined Modification shall only be approved where the Authority determines that the Modification Proposal shall be approved (which determination shall, without prejudice to section 173 of the Energy Act 2004, be final and binding for the purposes of this Code). In making such determination, the Authority will have regard to:

(a) its objectives and statutory duties under the Electricity Act and the Gas Act;

(b) whether or not the approval of the variation would better facilitate the achievement of the SEC Objectives than if the variation was rejected;

(c) the decision of the Change Board in respect of the Modification Proposal, which shall be considered to constitute a recommendation by the Parties as to whether or not to approve the Modification Proposal; and

(d) such other matters as the Authority considers appropriate.

D8.2 Where the Authority considers that it is unable to form an opinion in relation to a Modification Proposal submitted to it, then it may issue a direction to the Panel specifying any additional steps that the Authority requires in order to form such an opinion (including drafting or amending the proposed legal text, revising the proposed implementation timetable, and/or revising or providing additional analysis and/or information). Where the Authority issues a direction to the Panel pursuant to this Section D8.2:

(a) the decision of the Change Board in respect of the Modification Proposal shall be null and void;

(b) the Code Administrator shall seek to address the matters raised by the Authority and may, or where directed by the Panel shall, consult with the relevant Working Group (or establish a Working Group) to consider the matters raised by the Authority, and prepare a revised Modification Report which will be presented to the Panel in accordance with Section D6.4 (Consideration of the Modification Report);

(c) the Panel shall revise the timetable applying to the Modification Proposal; and

(d) the Secretariat shall update the Modification Register to record the status of the Modification Proposal.

Self-Governance Modifications

D8.3 A Self-Governance Modification shall be approved where the Change Board votes to approve the Modification Proposal, subject to the following:

(a) any Party that disagrees with the decision of the Change Board, may (within 10 Working Days following the publication of that decision) refer the matter to the Panel, and the Panel shall determine whether the Modification Proposal should be rejected or approved;

(b) any Party that disagrees with the decision of the Panel pursuant to Section D8.3(a), may (within 10 Working Days following the publication of that decision) refer the matter to the Authority, and the Authority shall determine whether the Modification Proposal should be rejected or approved in accordance with Section D8.1 (which determination shall, without prejudice to section 173 of the Energy Act 2004, be final and binding for the purposes of this Code); and

(c) accordingly, where the consequence of the Panel's or the Authority's determination is that the Modification Proposal is to be rejected (where it has previously been approved) the Modification Proposal shall be cancelled and not implemented (or, if already implemented, shall be reversed).

Fast-Track Modifications

D8.4 In the case of a Fast-Track Modification, any decision of the Panel under Section D4.7 (Consideration by the Panel) to approve the Modification Proposal shall be final, subject to the following:

(a) any Party that disagrees with the Modification Proposal being approved as a Fast-Track Modification, may (within 15 Working Days following the publication of that decision) object to the decision; and

(b) where an objection is received, the Panel's decision on the Modification Proposal shall be cancelled and the Modification Proposal shall be returned to the Panel at its next meeting. The Panel shall then revise its determination under Section D4.7, and shall progress the Modification Proposal on the basis that it is not a Fast-Track Modification.

Approval of Cross-Code Changes

D8.5 Where Section D12 (Lead Code and Consequential Changes) applies to a Modification Proposal, then this Section D8 is subject to Section D12.3 (Lead Code) or Section D12.4 (Consequential Change).

D9. AUTHORITY DETERMINATION ON DISPUTES

Referral of Disputes to the Authority

D9.1 Where:

(a) the Panel does not reverse the Code Administrator's rejection of a Draft Proposal pursuant to Section D1.12 (Invalid Draft Proposals);

(b) the Change Sub-Committee determines under Section D4.5(c) (Consideration by the Change Sub-Committee) or the Panel determines under Section D4.7 (Consideration by the Panel) that a Draft Proposal should not be progressed as a Modification Proposal;

(c) the Panel determines that the Modification Proposal is an Authority-Initiated Modification, an Authority-Determined Modification or a Self-Governance Modification where such determination differs from any view expressed by the Proposer; and/or

(d) the Panel determines a timetable (or an amendment to the timetable) in respect of the Modification Proposal which the Proposer considers inconsistent with the requirements of Section D4.13 (Timetable),

then the Proposer may refer the matter to the Authority for determination in accordance with Section D9.2.

D9.2 The Proposer may only refer a matter to the Authority pursuant to Section D9.2 where such referral is made within 10 Working Days of the Proposer being notified by the Secretariat of the relevant matter. The Proposer shall send to the Panel a copy of any referral made pursuant to this Section D9.2.

D9.3 Where the Authority, after having consulted with the Panel, considers that the Panel's or the Change Sub-Committee's decision that is the subject of a matter referred to the Authority by a Proposer in accordance with Section D9.2 was made otherwise than in accordance with this Section D, then the Authority may determine the matter. Any such determination shall be final and binding for the purposes of this Code.

D10. WITHDRAWAL OF A PROPOSAL

Right to Withdraw

D10.1 Subject to Section D10.2, the Proposer for a Draft Proposal may withdraw the Draft Proposal on notice to the Secretariat at any time before it become a Modification Proposal. Subject to Section D10.2, the Proposer for a Modification Proposal may withdraw the Modification Proposal on notice to the Secretariat at any time prior to the decision of the Change Board under Section D7.14 (The Change Board Vote) in respect of that Modification Proposal.

D10.2 In the case of Authority-Initiated Modifications, the Proposer may only withdraw the Draft Proposal or the Modification Proposal where the Proposer provides evidence that the Authority has given its consent to such withdrawal. The Proposer may not withdraw a Modification Proposal following any direction by the Authority to the Panel pursuant to Section D11.15 (Send-Back Process).

D10.3 As soon as is reasonably practicable after receiving any notice in accordance with Section D10.1, the Secretariat shall notify the Parties that the Proposer has withdrawn its support and shall update the Modification Register accordingly.

Adoption of Withdrawn Proposals

D10.4 Where, within 10 Working Days of the Secretariat sending notice under Section D10.3, the Secretariat receives notice from a Party that it is prepared to adopt the Draft Proposal or the Modification Proposal, such Party shall (for all purposes in respect of this Code) be deemed thereafter to be the Proposer for the Draft Proposal or the Modification Proposal (and, where the Secretariat receives more than one such notice, the first such notice shall have priority over the others).

D10.5 Where Section D10.4 applies, the Draft Proposal or the Modification Proposal shall not be withdrawn, and the Secretariat shall notify the Parties and update the Modification Register.

Withdrawn Proposals

D10.6 Subject to Section D10.5, a Draft Proposal or a Modification Proposal that has been withdrawn in accordance with Section D10.1 shall cease to be subject to the process set out in this Section D.

D11. SIGNIFICANT CODE REVIEWS AND AUTHORITY-LED VARIATIONS

Authority Power to Develop a Proposed Variation

D11.1 The Authority may commence a Significant Code Review Phase by issuing a direction under this Section D11.1, or may issue a direction under this Section D11.1 at any time during a Significant Code Review Phase. The Authority's direction under this Section D11.1 will set out the scope and/or subject matter of the Significant Code Review.

D11.2 The Authority may develop a proposed variation to this Code in respect of a Significant Code Review, in accordance with the procedures set out in this Section D11.

Authority Determination in respect of Significant Code Reviews

D11.3 During a Significant Code Review Phase:

(a) the Panel shall report to the Authority on whether or not the Panel considers that any Draft Proposal or Modification Proposal on which the Change Board had not voted prior to the commencement of the Significant Code Review (whether submitted before or after the commencement of the Significant Code Review) falls within the scope of the Significant Code Review;

(b) the Panel may (subject to Section D4.13 (Timetable)) suspend the progress of any Draft Proposal or Modification Proposal that the Panel considers to fall within the scope of that Significant Code Review;

(c) the Authority may direct the Panel to suspend the progress of any Draft Proposal or Modification Proposal that the Authority considers to fall within the scope of that Significant Code Review (and the Panel shall comply with such directions); and

(d) the Authority may direct the Panel to cease the suspension of any Draft Proposal or Modification Proposal that has been suspended pursuant to this Section D11.3 (and the Panel shall comply with such directions). Any and all suspensions pursuant to this Section D11.3 shall automatically cease at the end of the Significant Code Review Phase.

D11.4 The commencement and cessation of suspensions in respect of a Modification Proposal pursuant to Section D11.3 shall have the effect of modifying the timetable applying to that Modification Proposal.

Significant Code Review: Backstop Direction

D11.5 Where one or more Draft Proposal or Modification Proposals that are Authority-Initiated Modifications have been raised, the Authority may issue a direction under this Section D11.5 that requires the withdrawal of

those Draft Proposal or Modification Proposals, including any connected Alternative Solutions. Where the Authority so directs:

(a) the Significant Code Review Phase shall re-commence; and

(b) the Proposer for each such Modification Proposal shall be deemed to have withdrawn the Draft Proposal(s) or Modification Proposal(s), and Sections D10.4 and D10.5 (Adoption of Withdrawn Proposals) shall not apply to the withdrawn Draft Proposal(s) or Modification Proposal(s).

Authority-Led Consultation

D11.6 The Authority will, in such manner as it considers appropriate, consult on the merits of the proposed Authority-Led Variation with the Parties, Citizens Advice, Citizens Advice Scotland, and any other persons whose interests are materially affected by this Code.

Authority-Led Modification Report

D11.7 The Authority may submit its proposed Authority-Led Variation to the Code Administrator, together with such supplemental information as the Authority considers appropriate.

D11.8 Upon receipt of the Authority's proposal under Section D11.7, the Code Administrator shall prepare a written report on the proposal (known as an Authority-Led Modification Report). The Authority-Led Modification Report must be consistent with the information provided by the Authority under Section D11.7, and shall:

(a) be delivered to the Panel; and

(b) contain the contents set out in Section D6.3 (Modification Report).

D11.9 Upon completion of the Authority-Led Modification Report, the Code Administrator will place such report on the agenda for the next meeting of the Panel, which shall refer the report to the Change Board. Following the Panel's referral of the report, but prior to the Change Board vote, the Code Administrator shall, at the direction of the Authority, arrange for a consultation seeking the views of Parties on the report. Any consultation will be subject to the provisions of Sections D6,8, D6.9 and D6.10 (Modification Report Consultation) except that the timetable referred to in Section D6.8(a) shall be subject to any direction by the Authority.

Change Board and Change Board Decision

D11.10 In respect of each Authority-Led Modification Report referred to the Change Board, the Change Board shall vote whether to approve the Authority-Led Variation.

D11.11 Each vote as referred to in Section D11.10 shall take the form of a vote in accordance with Sections D7.14 to D7.17 (The Change Board Vote). The Authority's Significant Code Review conclusions document and/or the Authority's proposal submitted in accordance with Section D11.7 shall not fetter the procedures or voting rights referred to in Section D7 (Change Board and Change Board Vote).

D11.12 Following the vote of the Change Board in respect of the Authority-Led Variation, the Code Administrator shall communicate the outcome of the Change Board vote to the Authority, the Change Sub-Committee and the Panel, and shall send copies of the following to the Authority:

(a) the Authority-Led Modification Report;

(b) the consultation and the responses received in respect of the same; and

(c) the outcome of the Change Board vote, including the reasons given by the Change Board Members pursuant to Section D7.17 (The Change Board Vote).

Authority Decision

D11.13 An Authority-Led Variation shall be approved only where the Authority determines that the proposed variation shall be approved (which determination shall, without prejudice to section 173 of the Energy Act 2004, be final and binding for the purposes of this Code). In making such determination, the Authority will have regard to:

(a) its objectives and statutory duties under the Electricity Act and the Gas Act;

(b) whether or not the approval of the variation would better facilitate the achievement of the SEC Objectives than if the variation was rejected;

(c) the decision of the Change Board in respect of the variation, which shall be considered to constitute a recommendation by the Parties as to whether or not to approve the variation; and

(d) such other matters as the Authority considers appropriate.

Send-Back Process

D11.14 Where the Authority considers that it is unable to form an opinion in relation to a proposed Authority-Led Variation, then it may issue a direction to the Panel specifying any additional steps that the Authority requires in order to form such an opinion. Where the Authority issues a direction to the Panel pursuant to this Section D11.15:

(a) the decision of the Change Board in respect of the variation shall be null and void;

(b) the Code Administrator shall seek to address the matters raised by the Authority, and shall (where necessary) have an updated Authority-Led Modification Report produced; and

(c) the Secretariat shall update the Modification Register to record the status of the proposed variation.

Implementation

D11.15 Where an Authority-Led Variation has been approved in accordance with Section D11.14, Section D13 (Implementation) shall apply.

D12. LEAD CODE AND CONSEQUENTIAL CHANGES

Cross Code Steering Group

D12.1 The Panel shall from time to time nominate to the REC Code Manager one or more individuals to represent the Panel on the Cross Code Steering Group. The Panel shall ensure that each of the nominated individuals has the appropriate skills, knowledge and experience to participate in accordance with the Cross Code Steering Group's terms of reference.

D12.2 The Panel may discharge the requirements of Section D12.1 by ensuring the Code Administrator provides appropriate representatives.

Lead Code

D12.3 Where the Cross Code Steering Group determines that this Code is to be used as the Lead Code, the Code Administrator shall:

(a) progress the Lead Code Modification in accordance with this Code;

(b) coordinate with the other affected Energy Codes so that they can progress a Consequential Change under their Energy Code in parallel with the process under this Code;

(c) publish a timetable setting out the proposed progression of the Lead Code Modification and any associated Consequential Changes; and

(d) notwithstanding Section D8 (Modification Proposal Decision), the Modification Proposal under this Code shall only be approved if both:

(i) the Modification Proposal is approved in accordance with this Code; and

(ii) the associated Consequential Changes under the other Energy Codes are all approved in accordance with those other Energy Codes.

Consequential Change

D12.4 Where the Cross Code Steering Group determines that another Energy Code is the Lead Code for a Modification Proposal, then the Code Administrator shall progress the relevant Consequential Change to this Code in accordance with this Section D, but subject to the following:

(a) the Code Administrator shall progress the Draft Proposal or Modification Proposal to the timetable determined under the Lead Code;

(b) if the Lead Code Modification under the Lead Code is withdrawn or rejected prior to a Change Board determination, then the Code Administrator shall Withdraw the Consequential Change in accordance with Section D10 (Withdrawal of a Proposal) except that Sections D10.4 and D10.5 (Adoption of Withdrawn Proposals) shall not apply; and

(c) notwithstanding Section D8 (Modification Proposal Decision), the Modification Proposal under this Code shall only be approved if both:

(i) the Modification Proposal is approved in accordance with this Code; and

(ii) the variation to the Lead Code is approved in accordance with the Lead Code.

Appeal to the Authority

D12.5 The Panel or the Change Sub-Committee may appeal the determination of any associated Consequential Change to the Authority where:

(a) this Code is the Lead Code;

(b) the Lead Code Modification is approved;

(c) one or more associated Consequential Changes are not approved; and

(d) such an appeal is raised within 30 Working Days of a determination on the Lead Code Modification or relevant Consequential Change.

D12.6 Where another Energy Code is the Lead Code, any determination under this Code on an associated Consequential Change may be sent to the Authority for appeal within 30 Working Days of such a determination on request of the Lead Code (in which case the approval or rejection of the Consequential Change shall be determined by the Authority as if Section D8.1 (Authority-Initiated Modifications and Authority-Determined Modifications) applied).

Energy Market Data

D12.7 Where a Modification Proposal is progressed in relation to an Energy Market Message and/or an Energy Market Data Item defined within the Energy Market Data Specification, the relevant Energy Market Meta Data Owner shall be defined as the Lead Code.

D12.8 The Code Administrator shall ensure that the meta data for all relevant Energy Market Messages and Energy Market Data Items utilised under this Code are defined within the Energy Market Data Specification administered in accordance with the REC Change Management Schedule.

D13. IMPLEMENTATION

General

D13.1 Once a Modification Proposal has been approved in accordance with Section D8 (Modification Proposal Decision) or an Authority-Led Variation has been approved in accordance with Section D11.14 (Authority Decision), the Panel shall ensure that this Code is varied in accordance with the Modification Proposal or Authority-Led Variation, as set out in this Section D13. Authority-Led Variations are to be treated as Authority-Initiated Modifications for the purposes of this Section D13 (and references to Modification Proposals shall be interpreted accordingly).

Implementation

D13.2 The Panel shall (to the extent necessary), after a Modification Proposal has been approved:

(a) determine what actions are required in order to ensure that the approved variation to this Code is made in accordance with the approved implementation timetable; and

(b) set a timetable for the completion of each of those actions.

D13.3 It shall be the duty of the Panel to ensure that the actions which are required to secure that an approved variation to this Code is made in accordance with the approved implementation timetable are taken.

D13.4 Each Party shall co-operate with the Panel to the extent required to ensure that such variation is made with effect from such date.

Subsequent Amendment to Implementation Timetable

D13.5 Where, having regard to representations received from the Code Administrator or from any Party, the Panel considers that it is not reasonably practicable to make the approved variation to this Code in accordance with the approved implementation timetable:

(a) the Panel may request the Authority to direct that a new implementation timetable be substituted for the first such timetable; and

(b) where the Authority makes such a direction following a request by the Panel, the implementation timetable directed by the Authority shall have effect in substitution for the first such timetable, and the requirements of this Section D13 shall be defined by relation to that later date.

D13.6 Without prejudice to the generality of Section D13.5, the Panel shall make a request to the Authority under that Section where:

(a) the decision of the Authority to approve the relevant Modification Proposal is subject to an appeal pursuant to section 173 of the Energy Act 2004 or is challenged by judicial review; and

(b) the Panel considers that it is appropriate in the circumstances for the timetable to be delayed given such appeal or challenge.

SEC Release Management Policy

D13.7 The implementation of an approved Modification Proposal will take place as part of a SEC Release. The Panel shall ensure that the implementation of a SEC Release is undertaken in accordance with a policy determined by the Panel (known as the SEC Release Management Policy).

D13.8 The Panel shall ensure that the SEC Release Management Policy:

(a) includes a mechanism for allocating Modification Proposals into SEC Releases;

(b) defines a mechanism by which the Panel shall co-ordinate and oversee the content;

(c) defines a mechanism by which notice is to be given to Users prior to the implementation of a SEC Release;

(d) defines a mechanism by which the Panel shall review the main components of the forecast and actual costs of a SEC Release and, if requested by the Authority, how the Panel shall provide a report on this to the Authority; and

(e) defines a mechanism by which the Panel shall determine that the SEC Release shall be put into live operation.

D13.9 The Code Administrator shall make the SEC Release Management Policy available to the DCC and Users on the Website. The Panel shall consult with the DCC and Users before it makes any changes to the SEC Release Management Policy.

D13.10 The DCC shall co-operate with the Panel in planning and implementing SEC Releases in accordance with the SEC Release Management Policy and shall provide any information reasonably requested by the Panel for this purpose.

D13.11 The Panel may appoint, or require the DCC to appoint, an external auditor to monitor the DCC's implementation process, plans and progress in support of a SEC Release, and shall approve any such external auditor's terms of reference. The DCC must co-operate with any external auditor that is appointed, including (but not limited to) allowing access to such records, test results, test laboratories and test witnessing as the external auditor may reasonably require.

SEC Release Implementation Document

D13.12 The Code Administrator shall develop and publish a SEC Release Implementation Document for each SEC Release in accordance with the SEC Release Management Policy.

D13.13 The Code Administrator shall ensure that each SEC Release Implementation Document:

(a) defines the content of the SEC Release;

(b) defines the timescales associated with implementing the content of the SEC Release, including timescales for the commencement and completion of DCC and User testing phases;

(c) defines how the DCC shall report progress towards readiness;

(d) defines the testing that will be undertaken by the DCC for the SEC Release;

(e) defines the required User testing and how the DCC shall support Users to test the changes that make up the SEC Release; and

(f) defines the SEC Release go-live criteria that shall be agreed by the Panel in accordance with the SEC Release Management Policy.

D13.14 The DCC shall provide any information reasonably requested by the Panel that is required for inclusion in the SEC Release Implementation Document for a SEC Release.

D13.15 The Panel shall approve the SEC Release Implementation Document and any subsequent amendments.

D13.16 The DCC shall be required to undertake the implementation and testing activities for a SEC Release as set out in the relevant SEC Release Implementation Document once approved by the Panel.

D13.17 Any Party that wishes to appeal the Panel's approval of the SEC Release Implementation Document may do so within 10 Working Days following the publication of the decision to approve. Any appeal referred to the Authority, must specify the reasons for the appeal. The Authority shall determine what action to take with the appeal (which determination shall, without prejudice to section 173 of the Energy Act 2004, be final and binding for the purposes of this Code).

SEC Release Testing Approach Document

D13.18 The DCC, on request of the Panel, shall produce a document setting out how the requirements of Sections D13.13(d) and (e) will be satisfied (known as the SEC Release Testing Approach Document). A SEC Release Testing Approach Document shall be considered as part of the SEC Release Implementation Document for the relevant SEC Release.

D13.19 The DCC shall ensure that each SEC Release Testing Approach Document:

(a) defines the testing objectives, including the assurance to be achieved;

(b) defines the testing strategy that will be followed; and

(c) sets out the consequences of the testing strategy, including costs and risks in business terms.

D13.20 The DCC shall prepare and consult upon each SEC Release Testing Approach Document and any subsequent amendments. The Panel shall review each SEC Release Testing Approach Document and any subsequent amendments.

D14. REPORTING

Modification Register

D14.1 The Secretariat shall establish and from time to time maintain a register (known as the Modification Register) of all current and past Draft Proposals and Modification Proposals.

D14.2 The Modification Register shall contain, in respect of each Draft Proposal submitted pursuant to Section D1 (Raising Draft Proposals) and Modification Proposal subsequently progressed pursuant to Section D4 (Development Stage):

(a) a unique reference number by which the Draft Proposal or Modification Proposal can be identified;

(b) a brief summary of the Modification Proposal and its purpose and effect;

(c) the stage of the process set out in this Section D that the Draft Proposal or Modification Proposal has reached;

(d) whether the proposal has been approved as a Fast-Track Modification;

(e) following the Panel's determination, whether the proposal is a Self-Governance Modification;

(f) whether the Authority has determined the Modification Proposal to be an Urgent Proposal;

(g) once it has been made, the approval decision of the Panel (in the case of Fast-Track Modifications) or of the Change Board (in the case of all other Modification Proposals);

(h) once it has been made, the approval decision of the Authority (except for Fast-Track Modifications and Self-Governance Modifications); and

(i) such other matters relating to the Draft Proposal or Modification Proposal as the Panel may reasonably determine from time to time.

D14.3 The Secretariat shall ensure that the Modification Register is updated at regular intervals so that the information it contains in relation to each Draft Proposal and Modification Proposal is, so far as is reasonably practicable, accurate and up-to-date.

D14.4 The Secretariat shall ensure that the Modification Register is published on the Website at least once every month.

Reporting on DCC Impact Assessments

D14.5 The DCC shall report to the Panel each month on the status of all DCC Impact Assessments which are ongoing or that have been completed since the last such report. The DCC shall include in each such report any additional details reasonably requested by the Panel since the last such report.

D14.6 Such reports shall include details of whether the required timescales for completion of the DCC Impact Assessments are likely to be (or have been) met. Where there is any delay, the DCC shall set out a clear explanation of the reasons for such delay, the likely delivery timescales, and the actions being taken by the DCC to minimise the delay.

Code Performance Measures

D14.7 Each of the following performance measures constitute a Code Performance Measure (to which the following Target Service Level and Minimum Service Level will apply, measured over the following Performance Measurement Period):

No.	Code Performance Measure	Performance Measurement Period	Target Service Level	Minimum Service Level
9	Out of the DCC Impact Assessments required to be completed during the Performance Measurement Period, how many were completed within the required timescales.	Monthly	100%	100%

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MP186 'Section D Review (2020): further enhancements'

Annex C

Legal text – version 1.0

About this document

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

Section A 'Definitions and Interpretation'

These changes have been redlined against Section A version 25.0.

Amend and add the following definitions to Section A1 in alphabetical order:

Alternative Solution	means, for a Modification Proposal, an alternative variation to this Code to achieve the purpose of the Modification Proposal, as described~~has the meaning given to that expression~~ in Section D5.21~~D6.16~~ (Alternative Solutions).
Authority-~~-~~Determined Modification	means a Modification Proposal that satisfies one or more of the criteria set out ~~has the meaning given to that expression~~ in Section D2.6 (Authority-~~-~~Determined Modifications).
Authority-~~i~~Initiated Modification	means a Draft Proposal submitted pursuant to Section D1.5(d) (Persons Entitled to Submit Draft Proposals), by either the Authority or the DCC at the direction of the Authority~~has the meaning given to that expression in Section D2.4 (Authority-initiated Modifications)~~.
Authority-Led Modification Report	means a report on each Authority-Led Variation as required by~~has the meaning given to that expression in~~ Section D11.8~~9A.5~~ (Authority-Led Modification Report).
Authority-Led Variations	means variations to this Code proposed by the Authority pursuant to a direction under Section D11~~9A~~ (Significant Code Reviews and Authority-Led Variations).
Change Board	means the Sub-Committee established by the Panel pursuant to~~has the meaning given to that expression in~~ Section D~~8~~7.1 (Establishment of the Change Board).
Change Board Member	means each of the individuals who serve on the Change Board, as described in~~has the meaning given to that expression in~~ Section D7~~8~~.4 (Membership of the Change Board).
Change Sub-Committee	means the Sub-Committee established~~, or to whom~~ by the Panel~~has allocated the function of being such a Sub-Committee,~~ pursuant to Section D3~~2A~~ (The Change Sub-Committee).
Code Performance Measure	means a performance measure set out in Section D14.7~~11.3~~ (Code Performance Measures), Section H13.1 (Code Performance Measures) or Section L8.6 (Code Performance Measures).

~~**Consultation Summary**~~	~~has the meaning given to that expression in Section D6.14 (Working Group Consultation).~~
DCC Impact Assessment	means a DCC Preliminary Impact Assessment or a DCC Full Impact Assessment.
DCC Full Impact Assessment	means, in respect of analysis pursuant to Section D5.8~~6.9~~ (Analysis by the DCC), a full and formal assessment by the DCC of the determined area for analysis.
DCC Preliminary Impact Assessment	means, in respect of analysis pursuant to Section D5.8~~6.9~~ (Analysis by the DCC): (a) a preliminary assessment by the DCC of the determined area for analysis; and (b) the costs and expenses that the DCC will incur in undertaking a DCC Full Impact Assessment in respect of the determined area for analysis.
Development Stage	means the stage during which Draft Proposals are assessed pursuant to Section 4 (Development Stage).
Draft Proposal	is the term applied to a proposal raised to identify and assess an issue with this Code pursuant to Section D1 (Raising Draft Proposals). ~~has the meaning given to that expression in Section D1.2 (Modifications).~~
Fast-Track Modification~~s~~	means a Modification Proposal to correct typographical errors or other minor factual inaccuracies or inconsistencies in this Code that do not constitute material changes~~has the meaning given to that expression in Section D2.8 (Fast-Track Modifications)~~.
Minimum Service Level	means, in respect of each Performance Measure, the number or percentage intended to represent the minimum level of performance for the activity which is the subject of the Performance Measure, as set out in: (a) Section D14.7~~11.3~~ (Code Performance Measures); (b) Section H13.1 (Code Performance Measures); (c) the Reported List of Service Provider Performance Measures; or (d) Section L8.6 (Code Performance Measures).
Modification Proposal	is the term applied to a Draft Proposal once the Panel has agreed it should be progressed further in accordance with Section D4.7~~3.11~~ (~~Initial~~ Consideration by the Panel).
Modification Register	~~has the meaning given to that expression~~means a register of all current and past Draft Proposals and Modification Proposals as required by ~~in~~ Section D14.2~~1.8~~ (Modification Register).

Modification Report	means the written report prepared by the Code Administrator for each Modification Proposal, including the content required by~~has the meaning given to that expression in~~ Section D6~~7~~.3~~1~~ (Modification Report).
Modification Report Consultation	means the consultation arranged by the Code Administrator seeking the views of Parties on the Modification Report pursuant to~~has the meaning given to that expression in~~ Section D6~~7~~.8 (Modification Report Consultation).
Performance Measurement Period	means, in respect of each Performance Measure, the applicable period over which the Service Level for that Performance Measure is to be measured, as set out in: (a) Section D14.7~~11.3~~ (Code Performance Measures); (b) Section H13.1 (Code Performance Measures); (c) the Reported List of Service Provider Performance Measures; or (d) Section L8.6 (Code Performance Measures).
Proposed Solution	means, for each Modification Proposal, the variation~~under a Modification Proposal~~ that is proposed and controlled~~can be subsequently changed~~ by the Proposer, as described in~~in accordance with~~ Section D5~~6~~.19~~5~~ (Proposed~~Alternative~~ Solutions).
Refinement Stage~~Process~~	means the stage during which Modification Proposals are assessed pursuant to~~has the meaning given to that expression in~~ Section D5~~6~~ (Refinement Stage~~Process~~).
Report Stage~~Phase~~	means the stage during which Modification Proposals are considered and decided upon pursuant to~~has the meaning given to that expression in~~ Section D6~~7.1~~ (Report Stage~~Modification Report~~).
SEC Release Implementation Document	means a document developed and published by the Code Administrator for each SEC Release pursuant to~~established under~~ Section D13~~0~~.12 (SEC Release Implementation Document) and which contains the information listed in Section D13~~0~~.13.
SEC Release Management Policy	means the policy established by the Panel setting out the approach determined by the Panel for the implementation of each SEC Release pursuant to~~document established under~~ Section D13~~0~~.7 (SEC Release Management Policy) and which contains the information listed in Section D13~~0~~.8.
SEC Release Testing Approach Document	means a document established under Section D13~~0~~.18 (SEC Release Testing Approach Document) and which contains the information listed in Section D13~~0~~.19 in relation to the testing to be undertaken by the DCC with regards to a SEC Release.

Self-Governance Modification means a Modification Proposal that is not an Authority-Initiated Modification, an Authority-Determined Modification or a Fast Track Modificationhas the meaning given to that expression in Section D2.7 (Self-Governance Modifications).

Service Level Requirements means:

(a) in respect of each Code Performance Measure, the Target Response Time, Target Resolution Time or Target Availability Time (applicable in accordance with the table at Section D14.711.3 (Code Performance Measures), at Section H13.1 (Code Performance Measures) or at Section L8.6 (Code Performance Measures)); or

(b) in respect of each Service Provider Performance Measure, the standard to which the relevant DCC Service Provider is obliged by its DCC Service Provider Contract to perform the activity that is the subject of the Service Provider Performance Measure.

Significant Code Review Phase means, in respect of each Significant Code Review, the period from the date on which the Authority issues the notice stating that the matter is to constitute a Significant Code Review (including where the Authority issues a direction under Section D11.155.7 (Significant Code Review: Backstop Direction) or proposes an Authority-Led Variation by issuing a direction under Section D11.19A.2 (Authority Power to Develop a Proposed Variation)), and ending on the earlier of:

(a) the date on which the Authority, or the DCC at the direction of the Authority, submits a Draft Proposal in respect of any variations arising out of a Significant Code Review;

(b) where the Authority has proposed an Authority-Led Variation, the date on which the Authority makes a decision in accordance with Section D9A.11.14 (Authority Decision);

(c) the date on which the Authority issues a conclusion that no modification is required to this Code as a result of the Significant Code Review; or

(d) the date 28 days after the date on which the Authority issues its conclusion document in respect of the Significant Code Review.

Target Service Level means, in respect of each Performance Measure, the number or percentage intended to represent a reasonable level of performance for the activity which is the subject of the Performance Measure, as set out in:

(a) Section D14.711.1 (Code Performance Measures);

(b) Section H13.1 (Code Performance Measures);

(c) the Reported List of Service Provider Performance Measures; or

(d) Section L8.6 (Code Performance Measures).

Urgent Proposal means a Draft Proposal or Modification Proposal which the Authority has directed is to be treated as an Urgent Proposal, as referred tohas the meaning given to that expression in Section D4.106 (Urgent Proposals).

Working Group	means a group of persons established by the Panel pursuant to~~has the meaning given to that expression in~~ Section D5~~6~~.3~~2~~ (Establishment of a Working Group).
Working Group Terms of Reference	means the terms of reference agreed by the Panel which determine how Working Groups shall be formed and operate pursuant to~~has the meaning given to that term in~~ Section D5~~6~~.3~~2~~ (Establishment of a Working Group).

Section C 'Governance'

These changes have been redlined against Section C version 8.0.

Amend Section C2.3 as follows:

Panel Duties

C2.3 Without prejudice to any other tasks, duties or obligations imposed on the Panel in this Code, the Panel shall, subject to and in accordance with the other provisions of this Code:

(a) oversee the process by which Applicants apply to become a Party, as set out in Section B (Accession);

(b) manage the Code Administrator and Secretariat, and oversee their performance;

(c) develop, consult upon, and report upon its performance against three-year budgets and work plans in accordance with Section C8 (Panel Costs and Budgets);

(d) not used~~oversee and co-ordinate the process for assessing Draft Proposals and Modification Proposals, and implement successful Modification Proposals, each as set out in Section D (Modification Process)~~;

(e) manage and co-ordinate arrangements for the resolution of certain Disputes under or in relation to this Code, as set out in Section M7.3 (Reference to the Panel or its Sub-Committees);

(f) manage and co-ordinate the suspension of Parties' rights under this Code, as set out in Section M8 (Suspension, Expulsion and Withdrawal);

(g) manage and co-ordinate the withdrawal or expulsion of Parties from this Code, as set out in Section M8 (Suspension, Expulsion and Withdrawal);

(h) by no later than 30 Working Days following the end of each Regulatory Year prepare and publish a report on the implementation of this Code and the activities of the Panel during that Regulatory Year, including so as to evaluate whether this Code continues to meet the SEC Objectives (and in respect of the Alt HAN Arrangements the Panel shall be entitled to rely on and report any information provided to it by the Alt HAN Forum for that purpose);

(i) at the written request of the Authority at any time, undertake a review of such parts of this Code as the Authority may specify to evaluate whether this Code continues to meet the SEC Objectives;

(j) at the written request of the Authority, collect and provide to the Authority (or publish in such manner as the Authority may direct) such information regarding the SEC Arrangements as the Authority may reasonably request (and each Party shall provide to the Panel such information as the Panel reasonably requires in order to enable the Panel to comply with any such request of the Authority);

(k) hold a general meeting during the month of July each year, which each Panel Member will (subject to unforeseen circumstances) attend, at which a representative of each Party shall be entitled to attend and speak, and at which the Panel will endeavour to answer any reasonable questions submitted to the Secretariat in advance of the meeting;

(l) establish (and, where appropriate, revise from time to time) joint working arrangements with the panels, committees and administrators responsible for the governance and operation of other Energy Codes, in order to facilitate the timely:

(i) identification, co-ordination, making and implementation of changes to other Energy Codes consequent on a Draft Proposal or Modification Proposal (and vice versa); and

(ii) identification and coordinated resolution of Disputes and disputes under other Energy Codes (in circumstances where there is an interaction between the Dispute and one or more disputes under the other Energy Codes);

(m) establish joint working arrangements with the Information Commissioner pursuant to which the Panel shall notify the Information Commissioner of matters in which the Panel believes the Information Commissioner may have an interest; and

(n) periodically commission a review of the effectiveness of the End-to-End Technical Architecture and the Business Architecture by the Technical Architecture and Business Architecture Sub-Committee, as further described in Section F1 (Technical Architecture and Business Architecture Sub- Committee).

Amend Section C5.1 as follows:

Meetings of the Panel

C5.1 The Panel shall hold meetings with such frequency as it may determine or the Panel Chair may direct, but in any event shall meet ~~when necessary to meet its responsibilities under Section D (Modification Process) and~~ at least once every two months.

C5.2 The location and timing of each meeting shall be determined by the Panel. Panel Members shall endeavour to attend each meeting in person, but attendance by telephone conference or other technological means shall be permitted (provided that each of the Panel Members attending the meeting acknowledges that he or she can communicate with each other).

C5.3 Subject to the other provisions of this Code, the Panel may regulate the conduct of its meetings as it sees fit.

Amend Section C6.5 as follows:

Working Groups

C6.5 The Panel may not establish Sub-Committees to undertake the functions expressly reserved to Working Groups under Section D (Modification Process). Working Groups are to be subject to the requirements of Section D5~~6~~ (Refinement Stage~~Process~~), which may impose requirements by reference to this Section C6.

Section G 'Security'

These changes have been redlined against Section G version 14.0.

Amend Sections G7.23 and G7.25 as follows:

Modifications

G7.22 The Security Sub-Committee shall establish a process under which the Code Administrator monitors Draft Proposals and Modification Proposals with a view to identifying (and bringing to the attention of the Security Sub-Committee) those proposals that:

(a) are likely to affect the Security Obligations and Assurance Arrangements; or

(b) are likely to relate to other parts of the Code but may have a material effect on the security of the End-to-End Smart Metering System,

and the Code Administrator shall comply with such process.

G7.23 As set out in~~Notwithstanding~~ Section D1.~~3~~5 (Persons Entitled to Submit Draft Proposals):

(a) the Security Sub-Committee shall be entitled to submit Draft Proposals in respect of the Security Obligations and Assurance Arrangements where the Security Sub-Committee considers it appropriate to do so; and

(b) any Security Sub-Committee Member shall be entitled to submit Draft Proposals in respect of the Security Obligations and Assurance Arrangements where he or she considers it appropriate to do so (where the Security Sub-Committee has voted not to do so).

G7.24 Notwithstanding and subject to the provisions of the Working Group Terms of Reference, the Security Sub-Committee shall be entitled to nominate a representative to be a member of any Working Group.

G7.25 For the purposes of Section D6~~7~~.1 (Modification Report):

(a) written representations in relation to the purpose and effect of a Modification Proposal may be made by:

(i) the Security Sub-Committee; and/or

(ii) any Security Sub-Committee Member (either alone or in addition to any representations made by other Security Sub-Committee Members and/or the Security Sub-Committee collectively); and

(b) ~~notwithstanding Section D7.3 (Content of the Modification Report),~~ the Code Administrator shall ensure that all such representations, and a summary of any evidence provided in support of them, are set out in the Modification Report prepared in respect of the relevant Modification Proposal.

Section L 'Smart Metering Key Infrastructure and DCC Key Infrastructure'

These changes have been redlined against Section L version 14.0.

Amend Sections L1.19 as follows:

Modification of the SMKI SEC Documents and S1SPKM SEC Documents by the SMKI PMA

L1.19 As set out in~~Notwithstanding~~ Section D1.~~3~~5 (Persons Entitled to Submit Draft Proposals):

(a) the SMKI PMA shall be entitled to submit Draft Proposals in respect of any of the SMKI SEC Documents or S1SPKM SEC Documents where the SMKI PMA considers it appropriate to do so; and

(b) any SMKI PMA Member shall be entitled to submit Draft Proposals in respect of any of the SMKI SEC Documents or S1SPKM SEC Documents where he or she considers it appropriate to do so (where the SMKI PMA has voted not to do so).

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MP186 'Section D Review (2020): further enhancements'

Annex D

Refinement Consultation responses

About this document

This document contains the full collated responses received to the MP186 Refinement Consultation.

Question 1: Do you agree that the solution put forward will effectively resolve the identified issue?

Question 1				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	We agree with the principles that: 1) If a Change Board decision under Self-Governance is appealed by a Party, the appeal is issued directly to the Authority – as this is a more streamlined appeal route. 2) Eligible SEC parties are able to raise an Alternative Solution to an existing modification - as this allows for more efficiency 3) Extending the duration of open DCC assessment under certain scenarios and subject to SECAS approval which could be overturned by the CSC if appropriate – as this allows for suitable checks for appropriate use of this new power 4) Extending DCC SLA from 15 to 25 WDs for completing a preliminary assessment – subject to the DCC ensuring they address any party responses or clarification request. This is an area the DCC needs to improve upon. 5) Changing references to the CSC from the Panel where applicable	SECAS notes the proposed variation whereby a party category be used to refine and endorse legal text whilst working with the Proposer and with oversight from SECAS. However, we do not believe this impacts the provisions for MRCs and we do not believe this needs to be codified, though we will review if this could be included within the Working Group's terms of reference. Party categories can already be used to refine legal text but all legal text must ultimately be considered by the CSC and subsequently decided upon by the Change Board or the Authority.

Question 1				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			6) The Change Board being able to approve correction of any non-material typographical errors or minor factual inaccuracies within the legal text. Regarding Modification Report Consultation we are recommending a new Proposal C (adaption of Proposal A): *The MRC could be made optional for any modification that undergoes the Refinement Process. <u>However, in considering this option the SCS/Working Group can delegate powers to a party category to refine and approve the legal text working with the proposer and overseen by SECAS.</u>* This working principle is working well for P096'DNO Power outage alerts' whereby the Working Group agreed the DNOs can refine and approve the legal text with the proposer (and which would then be brought back to the Working Group). It would be beneficial to codify the transfer of powers and tailoring of expert refinement by a party category which is solely impacted.	
OVO Energy	Large Supplier	Yes	Part of the solution is to recommend an extension of the preliminary assessment to 25 working days. We would like to understand the measures that will be put in place to monitor adherence to this.	All statistics on DCC Assessment durations are included within the SEC Operations Report which is presented to the Panel every month, and we will be working with the Panel to further enhance

Question 1				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
				this reporting going forward. SECAS also receives weekly updates from the DCC on the progression of assessments. SECAS monitor the DCC's progression with assessments and try to ensure there are no preventable delays.
British Gas	Large Supplier	Yes	These improvements will help streamline the modification process, whilst ensuring it remains robust. We have a few concerns on the individual elements which we have outlined below.	
Western Power Distribution	Network Party	Yes	We believe that the following issues identified would be addressed via the proposed solution. • Moving the Change Board's responsibility for approving the costs of an Impact Assessment to the Change Sub-Committee (CSC). • Simplifying the Self-Governance appeal route so that any appeal of the Change Board's decision under Self-Governance would be submitted directly to the Authority. • Revising who can raise an Alternative Solution, moving this away from the Working Group and instead allowing individual Parties eligible to raise a Draft Proposal to raise and own an Alternative Solution. • Amending the DCC's Preliminary Assessment duration be increased to 25 Working Days and	

Question 1				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			that enhancements to the mechanism for extending DCC Assessment timescales be introduced. • Simplifying the approach to Modification Report Consultations (MRCs) can be simplified.	

Question 2: Do you believe that the CSC's delegated duties for overseeing modifications' progression and timetables should be made enduring and for this to be reflected in the SEC?

Question 2				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	We note that all respondents to this question 2 were in favour of reflecting the CSC's delegated duties for the Modification Process in the SEC. However, considering the Panel's views (see SECP_104_1305_09) on this proposal, we will leave the responsibilities set out in SEC Section D with the Panel, with these continuing to be delegated to the CSC via the Delegations Register. We will continue to progress with the proposal to move the responsibility for the approval of costs for an Impact Assessment from the Change Board to the CSC, which the Panel was supportive of.
OVO Energy	Large Supplier	Yes	-	As above.
British Gas	Large Supplier	Yes	The delegation of these activities to the Change Sub Committee seems to be working well, and should be made enduring. The committee meetings are efficient, allowing SECAS to confirm progression of modifications with a smaller group of more active industry participants.	As above.

Question 2				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			The relevant parts of SEC Section D should be updated accordingly.	
Western Power Distribution	Network Party	Yes	We agree that CSC's delegated duties should be made enduring and be reflected in the SEC. We believe that having a dedicated Sub-Committee that focuses on overseeing Modifications progression and timetables and assessing modifications prior to be being converted from a draft proposal, has been very successful.	As above.

Question 3: Do you agree that responsibility for approving the costs for a DCC Full Impact Assessment should be moved from the Change Board to the CSC?

Question 3				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	Probably	In most cases this is sensible. However, for more controversial modifications, we may want to retain the option of referring it back from the CSC to Change Board. For example, the recent MP134B proposal which was on the agenda of the last Change Board meeting for Impact Assessment approval, after having received considerable negative feedback in refinement consultation. I think that one did need the full Change Board to consider it, and it wouldn't have been appropriate for it to be delegated to CSC. One option, particularly as CSC happens before Change Board each month, would be for CSC to either approve the Impact Assessment or if there are any concerns to pass it back the Change Board. I think that would still enable CSC to handle the majority of Impact Assessment decisions, but would ensure any more sensitive ones could still be handled by Change Board.	We note the proposal that an allowance be made for the CSC to pass the approval of an Impact Assessment to the Change Board. However, we believe this to be inefficient and an unnecessary two-tier process. Also, Sub-Committees cannot pass delegated responsibilities to each other. We believe we have received enough support for the current proposal to progress it further.

Question 3				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Western Power Distribution	Network Party	Yes	We agree that the responsibility for approving the costs for a DCC Full Impact Assessment should be moved to the CSC as they will have the full end-to-end oversight during the refine stage. We seek clarification on how the CSC will determine if a FIA should be requested i.e. is this by majority vote or unanimous vote? If this is not in the Legal Text is it included in the terms of reference?	The CSC would determine whether an Impact Assessment request should be approved by holding a vote with the outcome being based upon the majority view, as per the current decision-making approach set out within the CSC's terms of reference.

Question 4: Do you agree that when a Change Board decision under Self-Governance is appealed by a Party, the appeal should be submitted directly to the Authority?

Question 4				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	No	*It would be useful to have a reminder of what the circumstances surrounding the two previous occasions where Change Board decisions have been appealed. We were aware of one (and I think we were the party who appealed it) but are not sure what mod the other one relates to.* We consider that the current process where an appeal to a Change Board decision goes first to the SEC Panel should remain. Codes should be prompted to sort out their own issues, where possible, allowing SEC Panel to resolve a dispute on a Self Governance matter, before any escalation to OFGEM. Going to Panel at least prompts a conversation amongst panel representatives (including OFGEM), and that means that OFGEM will be better briefed on the views and rationale of the case, if it does end up getting a	The previous examples for which this scenario occurred were SECMP0015 'GPF timestamp for reading instantaneous Gas values' and SECMP0021 'Increase the representation of the "Other SEC Party" category on the SSC and TABASC'. We note the views in this area as well as the support for our proposal from other respondents and the Working Group. However, we believe the benefits this proposal would bring are expected to be minimal, especially given the expected rarity of this event.

Question 4				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			second appeal. This ensures that if OFGEM does need to take the final decision, they are well briefed on the situation, having already been in a Panel discussion on it, rather than trying to make a decision on a paper document review. We would also note that this has only happened twice in the past 7 years, and just because these two appeals ended up being reappealed to OFGEM does not mean that this would happen again in a third case. Two incidents within seven years hasn't put significant extra work on the SEC Panel, so we would prefer to keep the SEC Panel appeal review in the process. It would be a different matter if SEC Panel were needing to deal with an appeal every 3 months or so.	
Western Power Distribution	Network Party	Yes	We agree that when decision under self-governance is appealed by a party the appeal should be submitted directly to the Authority to increase efficiency in the process.	

Question 5: Do you agree that Parties eligible to raise new Draft Proposals should be able to raise and own an Alternative Solution to an existing modification?

Question 5				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Partially	We agree, however, we believe that those that have raised an alternate solution outside of the working group then attend the working group when that particular modification is discussed.	We agree with the views provided and SECAS would manage this and ensure the Proposer is in attendance for meetings where the Alternative Solution is discussed.
British Gas	Large Supplier	Yes	We agree with this proposal, and it brings SEC in line with other codes where anyone that can raise a Draft Proposal can also raise an Alternative Solution. Alternative Solutions should go through the same governance process as new Draft Proposals go through – ie they should have a 'sanity check' by the CSC. This will ensure that only a realistic number of Alternative Solutions can progress. This avoids a situation previously in UNC where one mod ended up with 15 alternative solutions, which was unmanageable. Alternatively, can SECAS themselves raise and own alternative solutions? This would be potentially much more efficient – with SECAS able to raise an Alternative Solution on behalf of the working group. Even through	The Change Sub-Committee could not close an Alternative Solution just because too many had already been raised for the given modification. However, the Working Group would be used to review, refine and 'sanity check' Alternative Solutions and provide feedback to the alternative's proposer in the same way that it does for the Proposer's Proposed Solution. If the CSC deemed the Alternative Solution had been raised simply to disrupt the progress of a modification, it could close the Alternative Solution. We would

Question 5				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			SECAS can not currently raise a new Draft Proposal, they could be enabled to raise, own and lead on an Alternative Solution.	ensure Working Group input is sought on this first to help inform the CSC's decision. We note the suggestion that SECAS be allowed to raise Alternative Solutions. However, this is similar to the Proposed Solution under MP149 'Effecting Changes to the Smart Energy Code efficiently' which has been rejected. Therefore, we do not intent to take this proposal forward.
Western Power Distribution	Network Party	Yes	Agree with the proposal, however would like clarification that the process of developing and considering the alternative solution will be done alongside the existing modification and solution.	Yes, any Alternative Solution(s) would be fully refined and assessed to the same degree as the Proposed Solution and fully documented in the Modification Report before it is returned to the CSC to progress forward to decision.

Question 6: Do you agree with the revised provisions for the DCC being able to request an extension to complete a DCC Impact Assessment?

Question 6				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	Yes	We agree with this proposal, which makes sense, but consider that if it is introduced then the consequences of breaching the SLA for a non-material reason should be tightened. Qn – can you confirm if DCC Impact Assessments costs are fixed, once approved, or if the DCC takes more time does the DCC cost of the Impact Assessment rise?	We can confirm that DCC Impact Assessment accosts are fixed costs. If the duration needed to be extended for an Impact Assessment, the cost would not increase as a result.
Western Power Distribution	Network Party	Yes	Agree with views to allow DCC to request from SECAS an extension to the deadline, however is it right for SECAS to decide? Should CSC get the request to approve an extension rather than just overturn SECAS decision? Are there different answers depending on the reason for the extension, i.e. SECAS reprioritising might be ok for SECAS to approve, if it is just challenging should DCC customers (the CSC) be the ones to sign off?	We have proposed that SECAS be given the first sign-off for a request to extend a DCC Impact Assessment in order keep the process as efficient as possible. If the request had to go to straight to the CSC first, it could result in waiting up to a month for a decision on the request. In our proposal the CSC would still be allowed to review all requests to extend a DCC Impact Assessment and if it

Question 6				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
				overruled SECAS' decision, the SLA that the assessment is subsequently measured against would be revised accordingly.

Question 7: Do you agree that the service level agreement (SLA) for DCC Preliminary Impact Assessments should be increased from 15 to 25 Working Days?

Question 7				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1 and subject to the scenarios and conditions set out.	
OVO Energy	Large Supplier	Partially	We would only be happy to agree to the extension if there was a process in place to hold DCC to account if, for whatever reason, they do not meet the extended deadline.	SECAS cannot penalise the DCC for not delivery assessments on time. However, it does hold the DCC to account by reporting to the Panel on its assessment performance as well as highlighting to the CSC any delays to modifications caused by late DCC assessments.
British Gas	Large Supplier	No	seems high. Perhaps an increase to just 20 days may be more appropriate. Qn – Do we know how many Preliminary Impact Assessments go over the current 15 days SLA? Qn - Are there any constraints in DCC's contracts with its subcontractors that mean DCC is unable to get the required information from their subcontractors within the required SLA? When Preliminary Impact Assessments currently go over the current 15 days SLA, is that because of DCC or because of third parties it is relying upon?	Of the 73 DCC Preliminary Assessment requests accepted, 63 have gone over the 15 Working Day SLA. The average duration for DCC Preliminary Assessments is 30 Working Days. We believe that Data Service Provider (DSP)-only Preliminary Assessments are returned considerably quicker than the 30 Working Day average. The DCC advised that it has no contact, contract, or leverage with its Service Providers subcontractors. It noted the following reason for when Preliminary

Question 7				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
				Assessments go over the 15 Working Day SLA: • The modification is very complex, and it takes a while for the Service Providers (contractors) to pull together their responses • There are enquiries and clarifications to resolve with SECAS and/or the business Proposer • Requirements can be ambiguous or require some form of additional information • The Service Providers (contractors) return their responses late to the DCC due to resource constraints
Western Power Distribution	Network Party	Yes	We agree that the SLA for the DCC to complete PIA is extended from 15 Working Days to 25 Working Days, to allow sufficient time for the DCC to challenge its Service Providers on the responses submitted, as well as address complex or high volumes of clarification requests.	

Question 8: Do you believe that Modification Proposals submitted by the Panel should always be subject to the Refinement Process?

Question 8				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	No	We are confused by this question and proposed change. It appears that only one SEC Modification has ever been raised by the SEC Panel, and that was SECMP0001, which was just a small text change. Regardless of who has raised a Modification Proposal, it should go through the same scrutiny and triage with CSC as any other Modification Proposal. There is the option for mods to go straight to report phase built into the current process, if considered appropriate. For example, MP200 Faster Switching consequential changes to the SEC (raised by OFGEM) was able to progress directly to Report phase, through normal channels.	As we are not going to take forward the proposal to make the CSC's delegated responsibilities in the Modification Process enduring (see response to question 2), we believe these provisions should remain unchanged with all modifications raised by the Panel being subject to the Refinement Process. This will futureproof the arrangements should the Panel later decide to revert modification oversight to itself.
Western Power Distribution	Network Party	No	We believe that if a panel raised modification meets relevant criteria, as per current draft proposals it should be eligible to progress straight to the report phase. By	

Question 8				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			making all modifications go into a refinement process could cause unnecessary delays.	

Question 9: Do you believe either Proposal A or Proposal B for MRCs should be developed further, or do you believe the current provisions for MRCs should remain unchanged?

Question 9				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Proposal C (ENWL recommended)	We recommend an alternative Proposal C (adaption of Proposal A) as follows: *The MRC could be made optional for any modification that undergoes the Refinement Process. <u>However, in considering this option the SCS/Working Group can delegate powers to a party category to refine and approve the legal text working with the proposer and overseen by SECAS.</u>* This working principle is working well for P096'DNO Power outage alerts' whereby the Working Group agreed the DNOs can refine and approve the legal text with the proposer (and which would then be brought back to the Working Group). It would be beneficial to codify the transfer of powers and tailoring of expert refinement by a party category which is solely impacted.	
OVO Energy	Large Supplier	Proposal A	Providing that there are no changes to the modification following the refinement consultation stage.	
British Gas	Large Supplier	Do nothing	We consider that the current provisions for MRCs (where all mods undergo a Modification Report Consultation) is important and should be maintained.	

Question 9				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
			Depending on staffing availability not all SEC parties are able to keep fully on top of all open mods, and may not notice that a modification is about to pass to Change Board vote, especially if it has been a long time in refinement and development. The Modification Report Consultation seems an important step, to allow all parties a final chance for consideration.	
Western Power Distribution	Network Party	Proposal A	We agree with Proposal A however acknowledge that some Parties may wait to respond until the MRC is issued and therefore if proposal A is progressed there will need to be some engagement/education with industry to ensure they are fully understanding of the new process and that there views may need to be submitted during the Refinement process. We don't believe Proposal B should be progressed as we believe this could add unnecessary delays to modification that are straight forward and would otherwise go straight to MRC.	

Question 10: Do you agree that the legal text will deliver MP186?

Question 10				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	Yes	The changes to the legal text seem correct.	
Western Power Distribution	Network Party	Yes	-	

Question 11: Do you agree the proposed re-worded clauses are in sufficiently plain English and the restructure of SEC Section D aligns better with the order of steps in which the process is carried out?

Question 11				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	Yes	The rewording of the text in Section D seems clear, and should be easier to follow.	
Western Power Distribution	Network Party	Yes	-	

Question 12: Do you agree with the proposed implementation approach?

Question 12				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	This modification does not impact the DCC or SEC Party Systems or business processes and can be implemented in any scheduled SEC Release.	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	Yes	Qn: Does implementation definitely need to be linked to a certain SEC Release date (Feb/Jun/Nov etc) or could it be released immediately, on an adhoc basis, in order to avoid delay?	SECAS aims to release modifications in batches for efficiency. However, where it is not appropriate or efficient to implement a modification in a scheduled release, an additional ad-hoc release of new SEC content may occur. The CSC approves the implementation approach upon considering the final Modification Report, including any Refinement Consultation responses.
Western Power Distribution	Network Party	Yes	-	

Question 13: Will there be any impact on your organisation to implement MP186?

Question 13				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	No	See our response to Q12	
OVO Energy	Large Supplier	No	-	
British Gas	Large Supplier	No	We will continue to engage in the modification process, and respond / participate as appropriate.	
Western Power Distribution	Network Party	Yes	We will be positively impacted by a clearer and more efficient modification process.	

Question 14: Will your organisation incur any costs in implementing MP186?

Question 14				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	No costs	See our response to Q12	
OVO Energy	Large Supplier	No	-	
British Gas	Large Supplier	No costs	We will continue to engage in the modification process, and respond / participate as appropriate. We would not incur any specific extra costs.	
Western Power Distribution	Network Party	No costs	-	

Question 15: How long from the point of approval would your organisation need to implement MP186?

Question 15				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	n/a	n/a	
OVO Energy	Large Supplier	Immediately	-	
British Gas	Large Supplier	None	Could implement immediately.	
Western Power Distribution	Network Party	N/A	-	

Question 16: Do you believe that MP186 would better facilitate the General SEC Objectives?

Question 16				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	We agree the proposal will better facilitate General SEC Objective (g).	
OVO Energy	Large Supplier	Yes	As set out in the modification report.	
British Gas	Large Supplier	Yes	We agree this will better enable General SEC Objective 'g'.	
Western Power Distribution	Network Party	Yes	We agree the proposal will better facilitate General SEC Objective (g) To facilitate the efficient and transparent administration and implementation of this Code.	

Question 17: Do you believe there will be any impacts on or benefits to consumers if MP186 is implemented?

Question 17				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	n/a	n/a	
OVO Energy	Large Supplier	Not measurably	-	
British Gas	Large Supplier	No	No impact either way.	
Western Power Distribution	Network Party	No	-	

Question 18: Noting the costs and benefits of this modification, do you believe MP186 should be approved?

Question 18				
Respondent	**Category**	**Response**	**Rationale**	**SECAS Response**
Electricity North West Limited	Network Party	Yes	See our response to Q1	
OVO Energy	Large Supplier	Yes	-	
British Gas	Large Supplier	Partial	See responses to above questions for detail on where we don't agree.	
Western Power Distribution	Network Party	Yes	-	

Question 19: Please provide any further comments you may have

Question 19			
Respondent	**Category**	**Comments**	**SECAS Response**
Electricity North West Limited	Network Party	We agree with Ofgems' comments and we believe this proposal does add improvements to the Modification process. Further improvements would be to codify the SCS/Working delegating powers to a party category to refine/approve the final legal text prior to voting where appropriate. As per our 'Proposal C'. This would improve efficiencies. Also, we would recommend as part of this Section D review a new obligation (f) is placed upon the DCC under Section 5.8 'Analysis by the DCC' to ensure the DCC are obliged to address each of the concerns raised by a party in any impact assessment and give those SEC parties sufficient notice and time to review the impact assessments in order to better respond to draft legal text drafting or voting. Ofgem has specifically asked the DCCs to improve their stakeholder/user engagement as part of the annual Ofgem price control reviews. Examples, where the DCC could have improved upon their SEC party feedback in the earlier stages is regarding issues raised by DNOs on the MP096 and MP162 modification refinement timescales and the impact of the proposed solutions on DNO systems. This would improve transparency and efficiency of the modification refinement process.	Please see our response to question 1 for our comments around delegating responsibility to review legal text to a specific Party category. We do not think the proposed new Section 5.8 (f) in necessary. This is due to existing requirements for the Working Group and any applicable Sub-Committees to act as a sounding board and review DCC solutions. If upon reviewing the Modification Report, the CSC feels the DCC has not adequately addressed industry concerns, it can send the report back for further work in the Refinement Process.
OVO Energy	Large Supplier	-	
British Gas	Large Supplier	None	

Question 19			
Respondent	**Category**	**Comments**	**SECAS Response**
Western Power Distribution	Network Party	We wonder whether there should be provision for the WG to agree for a Sub Section i.e. DNO's to refine and approve the solution and legal text before being brought back to the WG. This principle is currently being used for developing MP096 and appears to be successful.	SECAS notes the proposed variation whereby a party category be used to refine and endorse legal text whilst working with the Proposer and with oversight from SECAS. However, we do not believe this impacts the provisions for MRCs and we do not believe this needs to be codified. Party categories can already be used to refine legal text but all legal text must ultimately be considered by the CSC and subsequently decided upon by the Change Board or the Authority.