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MP224 ‘SEC Performance Assurance Framework’

June 2023 Working Group – meeting summary

Attendees

Attendee	Organisation
Rachel Black (RBI)	SECAS
Kev Duddy (KD)	SECAS
Bradley Baker (BB)	SECAS
Rainer Lischetzki (RL)	SECAS
Abhijit Pal (AP)	DCC
Christopher Thomson (CT)	DCC
David Walsh (DW)	DCC
Julie Brown (JB)	British Gas
Beth Davey (BD)	Calvin Capital
Alex Hurcombe (AH)	EDF
Amy Cox (AC)	EDF
Sharon Armitage (SA)	E.ON Energy
Daniel Davies (DD)	ESG Global
Martin Bell (MB)	EUA
Ralph Baxter (RB)	Octopus Energy
Joey Manners (JM)	Octopus Energy
Jamie Flaherty (JF)	OFGEM
Audrey Smith-Keary (ASK)	OVO
Mahfuzar Rahman (MRa)	Scottish Power
Jeff Studholme (JS)	Smart Meter Assets
Shuba Khatun (SK)	SSEN
Nik Wills (NK)	Stark
Kevin Clark (KC)	Utilita

Overview

The Smart Energy Code Administrator and Secretariat (SECAS) provided an overview of the issue identified, the Proposed Solution, and the key discussion points raised in the request for information (RFI).

Issue

- The SEC Panel is expected to manage any performance-related matters as they arise
- The Panel's scope is broad and managing matters case-by-case is challenging
- A 2022 project concluded that a risk-based Performance Assurance Framework (PAF) would give Parties confidence that obligations were being met
- An RFI was issued to help define the scale of the issue and to support the case for change

Areas for Assessment

- Consider an appropriate time to introduce obligations
- The RFI and Panel project noted certain Sections should be out of scope and how best to identify and record those should be considered
- How data is provided into the process should be considered and should aim to be centralised where possible, and low burden for Parties in any case.

Working Group Discussion

SECAS (KD) provided an overview of the issue and the areas for assessment that were raised through the RFI.

A Working Group member (RB) commented that the general view within industry is that other Codes benefit from having a PAF and therefore the SEC should also introduce one. They noted that there was no rush around introduction so providing Parties with enough transition time would be appropriate. They also noted that there should be no delay due to Code Reform.

Members noted that lessons should be learned from [MP122B 'Operational Metrics'](#) with regards data provision and not to put in place requirements until they are known to be able to be delivered.

The DCC (CT) raised concerns about the performance assurance techniques within the legal text. They noted that under 'incentive' techniques there were financial sanctions which seemed at odds with the concept. They highlighted the term 'liquidated damages' had been used which has a specific meaning within Section M and queried whether it would be applicable here. They also noted that the DCC are subject to financial incentives through the price controls and believe this could conflict with the role Ofgem plays currently. SECAS (KD) noted that the legal text had not yet been reviewed by the SEC Lawyers and a full review would be completed after all comments had been received through the Refinement Consultation.

Another Working Group member (RB) commented that these concerns needed to be passed back to those involved in the original creation and those involved in initial conversations should engage with the Working Group. SECAS (KD) agreed to relay the information back and would encourage attendance from those on the project.

The Working Group had no further comments.

Next Steps

The following actions were recorded from the meeting:

- SECAS will present the modification to the Operations Group for comments; and
- SECAS will engage with the original Project team before issuing for Refinement Consultation.