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MP224 ‘SEC Performance Assurance Framework’

Annex C

Refinement Consultation responses

About this document

This document contains the non-confidential collated responses received to the MP224 Refinement Consultation.

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

Question 1			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	We agree with the members of the working group, statements within the proposal and the use cases presented that there is a gap in current regulatory arrangements for smart meters that this proposal is aimed at resolving. Having a SEC performance assurance will provide the governance for business processes that have consequences for multiple parties. These processes are not explicitly covered by licence obligations and compliance activity by Ofgem. It is therefore appropriate for the SEC to undertake this function. This approach has been proved in other industry codes (e.g. BSC and REC). We see this initiative as an enabler to improving the performance of suppliers and their agents and therefore reducing risks for our electricity networks and meter asset provider businesses.
Electricity North West Limited	Network Party	Yes	<p>We agree with the principle that the implementation of a risk-based SEC PAF and establishment of a PAB could give confidence to SEC Parties that: 1) the obligations set out in the SEC are being fulfilled, 2) they are not being disadvantaged, either individually and collectively, by the failure of any one Party to meet its obligations; and 3) Performance risks and issues are dealt with in a standardised manner.</p> <p>We previously recommended the PAF covers all SEC parties including the DCC. In the event the DCC are excluded, we do not see a material benefit to Electricity Network SEC Parties from a SEC PAF. We welcome the decision that the project recommendation is that DCC obligations should be considered in scope until 'Risk Evaluation Methodology' has been established and applied to identify the main risks to compliance with SEC Objectives.</p> <p>By including DCC obligations within a SEC PAF the DCC could be incentivised to improve their performance and operational compliance beyond the operational performance regime in their price control. It could also detect material risks surrounding the central delivery system. This would mirror Ofgem's recent decision for the REC PAB to hold the DCC to account regarding their Switching</p>

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Question 1			
Respondent	Category	Response	Rationale
			<p>services/obligations under the REC via the REC PAF and the DCC Switching Incentive Regime (SIR). In Ofgems' recently published decision letter regarding the SIR direction and guidance they make the point that the REC [PAF] framework is subject to the usual REC change management process; so any REC party including DCC is entitled to raise a proposed change, this ensures the [PAF] framework is effectively under constant review. This same principle can be carried across to the SEC PAF.</p> <p>We welcome the decision that exclusions of certain sections from the scope (such as Section G 'Security' would be determined by the PAB and as such the modification is silent to prevent the need for future modification. We maintain the creation of a SEC PAF could assign better appropriate weighting and targets those security risks which are material as per the REC and BSC PAFs, rather than the broad current SEC annual user security assessments.</p>
OVO Energy	Large Supplier	Yes	<p>We are affected by performance issues and believe that this solution will provide the ability to get them properly addressed.</p> <p>A PAF is currently missing, and this solution will therefore bridge that gap. This is a welcome proposal that we feel has a benefit to Suppliers and consumers.</p>
National Grid Electricity Distribution	Network Party	Yes	We believe the solution proposed will effectively resolve the identified issues
ENGIE	Small Supplier	Yes	The solution put forward will meet the requirement to create a SEC PAF, though further work and consultation will be needed to put in place the processes and associated methodologies operated by the PAF.
Utilita Energy Ltd	Large Supplier	Yes	We agree that having a Performance Assurance Framework and associated Board would be better placed to manage issues arising from failure to meet obligations within the SEC, however, we note that the true impact of this is dependant on the measures monitored under the PAF.

Question 1			
Respondent	Category	Response	Rationale
Scottish and Southern Electricity Networks	Network Party	Yes	We believe that this would more greatly improve the performance against obligations and confidence within SEC parties that these obligations are being met.
EDF Energy Customers Ltd	Large Supplier	No	<p>While EDF was supportive of developing the draft proposal further in its response to the previous consultation on this Modification, it is not clear from the Modification Report what additional value a SEC Performance Assurance Framework (PAF) will add.</p> <p>The scope of the PAF, how it will operate and what reporting may be required remains unclear; instead we are being asked to support the introduction of a PAF on the basis that the detail of what it will look at and how it will operate will be worked out once it is in place. Several potential areas of risk are suggested in the report, however it is not clear whether they would be better addressed by the introduction of a SEC PAF, or even that they would be in scope for a SEC PAF.</p> <p>Progressing this Modification without further clarity as to what exactly the PAF (and the Performance Assurance Board (PAB) that oversees it) will do and how that will benefit SEC Parties and their customers is not acceptable. Further work on the detail and the benefits to be gained from this change must be undertaken before we consider introducing a PAF into the SEC, and incur the costs of doing so.</p>
Octopus Energy	Large Supplier	Yes	If the issue is a lack of a Performance Assurance Framework (PAF) and Performance Assurance Board (PAB) then we believe the solution put forward provides the basis for this.
British Gas	Large Supplier	Yes	<p>We agree with the establishment of the PAB and PAF.</p> <p>There will then need to be further work by the PAB to define the scope of their remit and approach, once the PAB is established (February 2024). We assume there will be further engagement and consultation with Parties at this stage, even if it does not formally need to be as a Modification.</p>

Question 1			
Respondent	Category	Response	Rationale
Data Communications Company	Other	Yes	<p>The introduction of a Performance Assurance Framework (PAF) will give Parties confidence that obligations are being fulfilled, and not detract from achieving the SEC Objectives. This should give rise to a more reliable service for consumers.</p> <p>We agree that DCC obligations should be considered in scope of the framework. However, DCC performance reporting, as with all performance reporting should be centralised and therefore not reported to any more than one group, unless this is as an escalation. DCC currently reports on performance to the Operations Group with issues escalated to SEC Panel. Under any revised approach involving a new Performance Assurance Board (PAB), we should avoid duplication of roles and responsibilities, including reporting being presented to multiple groups. This will prevent any unnecessary administrative burden and provide greater clarity which will drive better accountability.</p> <p>The Modification Report notes that the solution will leave the data provision responsibility with the PAB to decide what is the appropriate source. Any reporting requirements placed on DCC by the PAB or as a result of the PAF must be fully assessed before confirming whether they can be delivered.</p> <p>Lastly, considering the number of reports DCC already produces under the Performance Measurement Report (over 80), we believe every effort should be made to rationalise and consolidate these reports before any new reporting requirements are placed upon us. This will help us to re-focus on which matter most to customers.</p>

Question 2: Do you agree that the legal text will deliver MP224?

Question 2			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	It seems to meet the objectives of the Mod
Electricity North West Limited	Network Party	No	<p>Whilst we agree with the majority of the legal text and the principle (refer to our response above) we have the following recommendations to the legal text:</p> <ol style="list-style-type: none"> 1) To future proof and prevent the need for future modifications and in keeping with the decision to allow the PAB to determine which sections of the SEC are in scope we recommend the legal text is amended to replace any reference to obligations inferring all SEC obligations with a for of legal text to the effect that is for the PAB to determine the relevant SEC obligations in scope. Any example being C9.1,4 infers all SEC obligations will be safeguarded by the SEC PAF/PAB and this will not be the case. There are various references through the new legal text that would need revisiting. 2) Future review and granular needs to be completed on the proposed PAB duty C9.1.5 (f) and para 3.2 (f) 'Monitor compliance with the Code through data analysis'. In terms of lessons learnt from the introduction of PAFs for relatively new codes such as the REC. in the early days of REC PAF we received inappropriate data requests from the REC PAB (regarding industry licence obligations) which we have successfully challenged as being out of scope of the REC objectives and REC PAB scope. We request the SEC PAF and PAB avoid such pitfalls by being more prescriptive in the legal text on this power. 3) Will the PAB be monitoring the activity of the Code Administrator under future Code Reform? We recommend a legal review of the paragraph 3.3 regarding future proofing the SEC PAB being able to 'procuring or delegating tasks to the Code Administrator' to avoid conflicts of interest.

Question 2			
Respondent	Category	Response	Rationale
			SEC Parties ability to appeal SEC PAB decisions to the Authority should be embedded in the core SEC not only in the ToR of the SEC PAB.
OVO Energy	Large Supplier	Yes	-
National Grid Electricity Distribution	Network Party	Yes	We agree with the prosed legal text
ENGIE	Small Supplier	Yes	We have not formally reviewed the legal text but at a general level it delivers the intention of the modification.
Utilita Energy Ltd	Large Supplier	No	Due to the lack of detail surrounding the PAF itself.
Scottish and Southern Electricity Networks	Network Party	Yes	We believe as long as the PAB follow the set guidelines and adhere to the legal text outlining the functions and duties of the PAB alongside the full details on the legal text then MP224 will be delivered appropriately.
EDF Energy Customers Ltd	Large Supplier	No	<p>The legal text is too high level and leaves too much to the discretion of the PAB, rather than going through a formal consultation or change process. There is only one refence to consultation with SEC Parties (in relation to the Risk Evaluation Methodology), and even then, it appears such consultation is not mandatory.</p> <p>For example, were financial penalties to form part of the SEC PAF (which, as noted in our response to Q4, we do not agree with) then this must be codified within the SEC itself and not simply left to the discretion of the PAB. The equivalent section of the REC (Schedule 6 - Performance Assurance) contains a specific section on Performance Charges, including the details of exactly which Performance Charges will be applied. As this is set out in a REC Schedule, a REC Change Proposal is required to</p>

Question 2			
Respondent	Category	Response	Rationale
			<p>set or amend REC Performance Charges. The same level of governance must be applied to any Performance Charges that might be introduced as part of a SEC PAF.</p> <p>Similarly, any reporting obligations that might be placed on parties to support the PAF must be codified and subject to formal change control, to recognise the impact that such changes have on SEC Parties. The REC Performance Assurance Reporting Catalogue (PARC) was amended to be a Category 2 REC document (and therefore subject to the full REC Change Process) precisely because changes to any reporting requirements may have a material impact on parties, and therefore need to be subject to a change process that includes an impact assessment.</p> <p>The high-level nature of the legal text reflects the lack of clarity on the scope of the PAF – it seems that it doesn't contain much detail because it remains unclear how the PAF will operate and what it will cover, which is concerning.</p>
Octopus Energy	Large Supplier	Yes	<p>We support the intent for improvements in visibility and maintaining the quality of services and processes, however, we are concerned that this will introduce another mechanism (on top of Negotiations, Appeals & Disputes) that increases the governance, effort, cost, and that results in a less conducive and collaborative environment.</p> <p>The legal text does provide the means to implement and administrate a Performance Assurance Board (PAB), however, there are still questions regarding how the PAB would enforce or affect change beyond creating a Performance Risk Register, a set of Performance Assurance techniques, providing the Panel with an Annual Performance Assurance Report, and referral to the Authority.</p> <ol style="list-style-type: none"> 1. Has the Authority given any indication of its support for this? and what action, if any, they'd seek to take off the back of a referral? 2. The referral to the Authority reads like a catch-all statement for any and everything that the PAB sees fit to, will the PAB develop a clearer definition of what scenarios or circumstances would be referred to the Authority?

Question 2			
Respondent	Category	Response	Rationale
			<p>3. As part of the Risk Assessment, will there be a detailed scoring system across systems and/or processes dependent on their relative scale and impact on consumers that could be a means to drive the relevant level of enforcement? Will this be defined by the PAB? and if so how will further legal text changes be delivered (i.e., new modifications)?</p> <p>4. There has been a suggestion of combining these activities with the SEC User Security Assessments, this hasn't been defined in the legal text so the assumption is that this will be reconsidered at a later stage. And an opportunity to input into this discussion/decision. Will this be the case? And How would this be managed across the relevant Governance Forums (i.e., SSC, OPSG and PAB)</p> <p>5. How would this legal text interact with the provisions regarding Disputes, Negotiations and Appeals?</p> <p>We acknowledge that there have also been discussions regarding using Financial Penalisation, and we note that a legal review is still required to understand if this is possible via the current SEC provisions but we believe using a Financial Penalisation model against Users would not align with the intent and objectives of the SEC.</p> <p>We believe that the legal text provides the structure for the creation and administration of a PAB, and the processes they will undertake however, it doesn't clearly describe the outcomes and means of enforcement available.</p>
British Gas	Large Supplier	Yes	<p>The proposed legal text seems appropriate to set up the PAB and the concept of the PAF. However, we have a few comments where the proposed legal text doesn't seem to exactly mirror the proposed solution outlined in the draft Modification report. Specifically:</p> <ul style="list-style-type: none"> We agree with the proposal of keeping the PAF risk-based – ie focusing on the most significant potential breaches, without introducing prohibitively complex compliance requirements.

Question 2			
Respondent	Category	Response	Rationale
			<p>However, we are not convinced that this principle (of not making the PAF prohibitively complicated) is translated into the legal text. The draft list of requirements in C9.1.5 seems quite extensive and could – at face value – produce something very complex, which isn't the agreed objective.</p> <p>Page 14 of the Modification report says that following establishment of the PAB, there would be requirements on the PAB to develop processes and documentation that will need consultation on with Parties. We agree that this is important. However, it isn't clear where this need for consultation is specified in the legal text. We would be concerned if the PAB were able to put the next level of detail in place, without consultation with all SEC Parties.</p>
Data Communications Company	Other	Yes	-

Question 3: Do you agree with the proposed implementation approach?

Question 3			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	Setting the scope and remit of the performance assurance regime is something that needs to be undertaken but will take time. The proposed approach of establishing the framework and then developing the specific performance areas is something we agree with.
Electricity North West Limited	Network Party	No	refer to response to Q7
OVO Energy	Large Supplier	Yes	-
National Grid Electricity Distribution	Network Party	Yes	We agree with the proposed implementation approach
ENGIE	Small Supplier	Yes	Either start date is achievable.
Utilita Energy Ltd	Large Supplier	Yes	The proposed approach makes sense.
Scottish and Southern Electricity Networks	Network Party	Yes	We believe a risk based PAF being put in place and managed appropriately by the PAB with the 'Risk Evaluation Methodology' also being periodically subject to additional levels of scrutiny via consultations with SEC Parties and endorsements by the Panel would provide the confidence required to Parties that the performance assurance activities are proportionate.
EDF Energy Customers Ltd	Large Supplier	No	Given the additional work required to provide clarity on the purpose and scope of the PAF before any changes are made, we do not agree that these changes could be implemented in February 2024.

Question 3			
Respondent	Category	Response	Rationale
Octopus Energy	Large Supplier	Yes	<p>No concerns with the implementation approach, however we would raise that if there was a need for further changes to the SEC (i.e., once enforcement mechanisms are agreed) then I would expect that could lead to delays in the ability to actually manage and enforce a PAF.</p> <p>The only other comment, which has been expressed previously during development of the project, was the timelines to embed a PAF/PAB may result in diminished returns on the benefit case through the on-going and natural continuous improvements in improving quality and compliance on Smart Metering Equipment and data.</p>
British Gas	Large Supplier	Yes	It seems sensible. See answer to Question 1 above.
Data Communications Company	Other	Yes	-

Question 4: Should the Performance Assurance Techniques include financial penalties?

Question 4			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	Experience has shown that performance assurance arrangements without reliable consequences are often not treated with the appropriate level of seriousness by parties. An example of this was seen in the SPAA performance assurance performance, something that was addressed when this code migrated into the REC and its performance assurance regime. Therefore, we would support the concept of implementing the option of financial penalties within the SEC performance assurance regime. Determining what performance assurance measures would need financial chargers and the detail of what these might look like does not need to be considered at this stage and can follow in time once the performance assurance regime is established.
Electricity North West Limited	Network Party	No	We agree the reference to liquidated damages should not be applicable and subject to a legal review. Performance for some REC parties is ultimately from primary legislation and then via licence awarded by Ofgem. It's important code performance assurance works consistently and in concert with this overarching framework. This would eliminate all potential double jeopardy scenarios and ensure that the wider regulatory contract remains intact.
OVO Energy	Large Supplier	Yes	Although we feel it should include financial penalties we would like to highlight that it would be likely that these costs would be recovered from us somehow so not actually create an incentive, or even become a disincentive, to the DCC. We would like to explore the most suitable measure for ensuring the right, corrective, behaviour to be made, be that by the DCC itself or its Service Providers. If the cost of addressing the issue is less than the amount needed to correct it, it's hard to encourage corrective behaviour.
National Grid Electricity Distribution	Network Party	No	As SEC parties we are subject to SLA's and as such have our own penalty mechanisms in place. We do not believe that these need to be superseded.

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Question 4			
Respondent	Category	Response	Rationale
ENGIE	Small Supplier	Yes	The PATs should include financial penalties but these should ideally be weighted towards parties who may not otherwise be disadvantaged commercially or operationally by poor performance.
Utilita Energy Ltd	Large Supplier	Yes	We believe that financial penalties should not be taken off the table at this point, but these should be used sparingly and where they would be most impactful.
Scottish and Southern Electricity Networks	Network Party	No	We do not feel that financial penalties would need to be implemented as long as the PAF highlights these non-compliances to the SEC panel and ultimately OFGEM.
EDF Energy Customers Ltd	Large Supplier	No	<p>It is not clear which areas of performance could be subject to financial penalties, which arises from the lack of clarity regarding the scope of a SEC PAF.</p> <p>As noted in the response to Q2, where financial penalties do form part of the Performance Assurance Techniques (PATs) the details of those charges and how they will be applied need to be codified within the SEC and subject to the SEC change process, and not left to the discretion of the PAB.</p> <p>Where financial penalties are applied, they:</p> <ul style="list-style-type: none"> • Must not be punitive. • Must represent a genuine pre-estimate of the loss incurred (by other SEC Parties or by consumers) as the result of any failure. • Must not be duplicative of any existing penalties – such as those related to the Guaranteed Standards of Performance. <p>We note that the REC PAF currently only applies Performance Charges to the Central Switching Service, and that there are no plans to introduce any other Performance Charges at this time. Given the scope of the REC and the direct impact on consumers, it is unlikely that a SEC PAF could justify applying financial penalties when the REC PAF doesn't.</p>

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Question 4			
Respondent	Category	Response	Rationale
Octopus Energy	Large Supplier	No	<p>We do not believe that the SEC has provisions to financially penalise SEC parties which could also lead to increased costs for consumers. There would also need to be a considerable amount of effort to define what would trigger a financial penalty and how that would be weighted.</p> <p>This may also create an unfair environment whereby a Users non-compliances may be partially or wholly driven by the DCC and its Service Providers and their Infrastructure but it may not be immediately apparent that this is the case. How would this be managed? Given that there is no SEC Governance Forum that reviews the DCC Infrastructure in sufficient detail to make an impartial decision and this would likely be driven by data and/or assurances from the DCC alone.</p>
British Gas	Large Supplier	No	<p>We don't believe that the Performance Assurance Techniques should include financial penalties. If a Party is in breach of the SEC then they are in breach of their Licence. If there is a serious breach, this should be for OFGEM to address. If the SEC is separately imposing financial penalties, there could be a doubling of penalty, which seems inappropriate and confusing governance.</p> <p>We recognise however that the PAF does need strength and 'teeth'. We would suggest the following:</p> <ol style="list-style-type: none"> 1. Engagement with the reporting parties to ensure that the data is being interpreted correct. If a Party appears to be failing to meet its SEC obligations, engage directly with that Party to check that understanding is correct. 2. Where a Party is confirmed to be under-reporting, engage in a dialogue with that Party to agree a remediation plan, and understand if there are any external issues preventing their compliance. 3. On an ongoing basis, consider reporting 'Performance League Tables' to highlight which parties are falling behind on performance. (Similar to what currently happens in REC & BSC.) Any such reporting of performance however needs to be comparable and proportionate – ie don't just list number of breaches, but show that number as a percentage of total customers or similar.

Question 4			
Respondent	Category	Response	Rationale
			If (after 1-3 above has been tried and failed) it does appear necessary to introduce financial penalties in the future, this should be subject to a separate future Modification. This is similar to proposals under the REC.
Data Communications Company	Other	No	We note the reference to financial incentives has been removed from the legal text which we support. As noted in our response to the request for information (RFI) and our comments in the Working Group, DCC is already subject to rigorous performance oversight by Ofgem through the Operational Performance Regime (OPR). This regime financially incentivises DCC in three main areas: system performance, customer engagement and contract management. The primary vehicle for any operational financial incentives on DCC should remain the OPR alone whilst the Price Control process forms the major part of DCC's financial incentive framework.

Question 5: Should any Sections of the SEC be explicitly excluded from the scope of the PAF as part of the proposed legal text of the modification, or should it be left to the PAB to determine which areas of the SEC the PAF should focus on as part of the development of the Risk Evaluation Methodology?

Question 5			
Respondent	Category	Response	Rationale
BUUK	Network Party	Modification Legal Text	<p>A single overarching performance assurance framework for the SEC makes logical sense. The only exclusion should be SEC J, Charging. We understand the call for security, DCC and ALT HAN performance being outside of the proposed new PAF as these are already considered by existing SEC committees. We disagree with this and believe that instead these activities should be integrated into the wider SEC PAF to allow the PAB to understand the broad performance of SEC parties.</p> <p>It would be administratively easier and more effective for the SEC to manage a single PAF and this would also be easier for parties to understand and engage with. SEC will need to determine the best structure for how the framework is managed and how the existing areas of compliance monitoring (e.g. security and data privacy) are integrated into the new arrangements.</p>
Electricity North West Limited	Network Party	Performance Assurance Board	No areas should be explicitly excluded. Refer to our response to Q1.
OVO Energy	Large Supplier	Performance Assurance Board	As this is the group responsible, it would make the most sense for them to ensure all Sections apply in the first instance and deem any that are outside their Scope instead of missing a Section and including it later. If part of the modification process, we feel that this may cause delays to the modification progression.

Question 5			
Respondent	Category	Response	Rationale
National Grid Electricity Distribution	Network Party	Modification Legal Text	In creating the PAB we agree to this proposal however where their governance is directed should also be determined via modification.
ENGIE	Small Supplier	Performance Assurance Board	The PAB should develop proposals in this area and they should then be consulted upon.
Utilita Energy Ltd	Large Supplier	Performance Assurance Board	We believe that the PAB should not be restricted in which sections of the SEC they can manage at this stage, with one exception – we believe that Section Z should be exempt from the PAF as the AlthAN arrangements already have their own performance assurance methods and we see no reason these should be doubled up on.
Scottish and Southern Electricity Networks	Network Party	Performance Assurance Board	We believe that no sections should be excluded as this could result in narrowing the scope of the PAF. Allowing the PAB to determine which areas of the SEC the PAF should focus on would allow for all or any risks (new or old) to be taken into consideration.
EDF Energy Customers Ltd	Large Supplier	Performance Assurance Board	<p>While the Sections of the SEC within the scope of the PAF do not need to be codified within the SEC legal text, there needs to be absolute clarity on the roles, responsibilities, and scope of each Sub-Committee to prevent overlaps, and also gaps.</p> <p>We note that the REC includes a REC Baseline Statement that details the Sub-Committee or party that owns each section of the REC. Something similar could be published that shows the demarcation between the areas of responsibility for the SEC Sub-Committees, such as the Security Sub-Committee (SSC) and the SMKI Policy Management Authority (PMA), regarding compliance with SEC obligations.</p>

Question 5			
Respondent	Category	Response	Rationale
Octopus Energy	Large Supplier	Yes	<p>We agree that Section Z 'Alt HAN Arrangements' should be excluded as it will be managed under a different Governance entity.</p> <p>Section I 'Data Privacy' outlines Privacy Assessments and should largely be covered by the broader Data Protection Legislation.</p> <p>We'd also put forward the argument that Section N 'SMETS1 Meters' should be considered for exclusion as it generally refers to the enrolment process but we'd also argue that performance and management by Users of SMETS1 enrolled meters in general should be excluded given the Device Specific Behaviours and technical complexities across the cohorts.</p>
British Gas	Large Supplier	Modification Legal Text	<p>We agree that Sections J 'Charges', G 'Security' and Z 'AltHAN Arrangements' should be excluded from the scope of the PAF, at least initially.</p> <p>This should be stated in the legal text for MP224.</p> <p>If there needs to be a change in the future, this should be addressed in a separate Modification at the time. This could be quite a simple Modification (no system changes required, just legal text change, < 6 months), but we believe it is important for it to be consulted on.</p>
Data Communications Company	Other	Performance Assurance Board	<p>It should be left to the PAB to determine which areas of the SEC the PAF should focus on. Explicitly excluding any SEC Sections or Subsidiary Documents now could lead to unnecessary SEC changes later on should issues arise in the future that would benefit from the PAF.</p>

Question 6: Is the membership of the PAB suitable and ensure appropriate representation for all Parties?

Question 6			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	It needs to include a good cross reference of all SEC parties and DCC users to ensure that the PAB has a good understanding of the issues all parties are experiencing.
Electricity North West Limited	Network Party	Yes	We welcome and it is appropriate for a Electricity DNO representative seat as per the BSC and REC PABs.
OVO Energy	Large Supplier	Yes	-
National Grid Electricity Distribution	Network Party		We would like clarity on the weighting between large and small suppliers. Is this intended to have both Gas and Electricity representatives at each level, we would also question the obvious imbalance this creates as both Electricity and Gas Networks have singular representation.
ENGIE	Small Supplier	Yes	Happy with the proposed composition of the SEC PAB
Utilita Energy Ltd	Large Supplier	Yes	The proposed membership seems appropriate.
Scottish and Southern Electricity Networks	Network Party	Yes	We believe as long as the PAB membership is made up from all SEC Parties then there would be appropriate representation in order to best support the SEC Objectives.
EDF Energy Customers Ltd	Large Supplier	Yes	The proposed composition of the SEC PAB does provide appropriate representation, bearing in mind that members are required to act independently of both their employer, and their constituency, when attending the PAB.

Question 6			
Respondent	Category	Response	Rationale
Octopus Energy	Large Supplier	Unsure	Given the change in landscape, should there be more Large Supplier representatives than Small Supplier (3 LS and 2 SS as an example) given that there are fewer Small Suppliers in the market and therefore they could be making equally weight decisions that could have a larger commercial impact on Large Suppliers.
British Gas	Large Supplier	Yes	We are happy with the proposed PAB membership in the draft Terms of Reference. The PAB membership will need to include people who (1) fully understand how the SEC operates, and (2) are able to understand quickly which matters are significant and which are not.
Data Communications Company	Other	Yes	-

Question 7: Will there be any impact on your organisation to implement MP224?

Question 7			
Respondent	Category	Response	Rationale
BUUK	Network Party	No	We believe the impact of this change to our business will be minimal. We anticipate that there will be some increased administrative costs but as we already participate in other industry code performance assurance regimes we believe these could be included as part of our Business as Usual (BAU) activity.
Electricity North West Limited	Network Party	Unable to answer	We are unable to determine if there will be impact to Electricity Network Operators and if we can agree an implementation date of February 2024 until we have more clarity regarding what requirements the PAF would be placing on us as a User from implementation in terms of data sharing from that date. This is not clear from the modification report or legal text. Experience from the introduction of the REC PAF and PAB was Electricity Network Operators where expected to response to RFIs for data sharing which were subsequently deemed out of scope. We would welcome sight of the first version of the Risk Register or a date for its completion and how much lead in time we would have from implementation of this modification before our data was monitored if any of our activities would deemed to be a risk.
OVO Energy	Large Supplier	Yes	Hopefully, if the PAB does what it is setting out to do, we should see improvements in the level of service we provide and better alignment to the SEC itself, which would improve things for all.
National Grid Electricity Distribution	Network Party	Yes	We as Electricity Networks would need to decide whether we have internal representation or reach out to external parties such as the ENA.
ENGIE	Small Supplier	Confidential Response	Confidential Rationale
Utilita Energy Ltd	Large Supplier	No	There will be no impacts to implement the modification itself, however, there may be impacts at a later date when the methodology and processes are finalised.

Question 7			
Respondent	Category	Response	Rationale
Scottish and Southern Electricity Networks	Network Party	Yes	As the PAF is undefined with regards to all of the risk areas identified. There is the opportunity for a risk related to Network Parties could exist which would require Network Parties to address and remediate. Alongside this SSEN will need to represent or feed into another Network Party who will represent all Network Parties at the PAB.
EDF Energy Customers Ltd	Large Supplier	Yes	<p>We expect that this change will impact us, however as the scope of the PAF and the requirements it might place on us are unclear, it is impossible to assess the scale of those impacts.</p> <p>For example, it is not clear whether we would be required to submit any regular reporting, which has both a system and resource overhead to produce and submit the reports.</p> <p>It is also not clear what impact some of the other PATs might have on us - for example we currently receive numerous Requests for Information RFIs) as part of the REC PAF, which take time and effort to investigate and respond to.</p>
Octopus Energy	Large Supplier	Yes	This would likely result in additional resources and effort to engage with these Forums and processes akin to or duplicative of the effort required for Annual User Security Assessment. This would drive cost and effort on the User side, especially if they are having to respond to/challenge an Annual Risk Assessment and Report.
British Gas	Large Supplier	Yes	<p>This is difficult to assess until the detail of the proposals are known, which will only be later in 2024.</p> <p>The implementation of MP224 will introduce assurance requirements for all SEC Parties, which will have an impact. However, we recognise (and welcome) the guiding principle that the future PAF's work should be targeted, rather than generally fishing for potential issues, avoiding an overly costly and burdensome obligation on Parties. It is essential that the PAF's work ensures performance assurance will be targeted, and not involve unnecessary extra work.</p>

Question 7			
Respondent	Category	Response	Rationale
Data Communications Company	Other	No – seem comment below.	No impact, save the requirement to provide an attendee to the PAB. However, this may be offset by reducing reporting to other forums, unless reporting is duplicated which should be avoided.

Question 8: Will your organisation incur any costs in implementing MP224?

Question 8			
Respondent	Category	Response	Rationale
BUUK	Network Party	No costs	If any costs are incurred, these are likely to be minimal.
Electricity North West Limited	Network Party	Unable to answer	Refer to response to Q7
OVO Energy	Large Supplier	Less than £100k	Costs for this would lie more in reviewing and inputting into any documentation and outputs from this group and not direct financial costs needing paying
National Grid Electricity Distribution	Network Party	Yes	This would need to be evaluated in conjunction with question 7 and would require liaising with other Electricity Networks.
ENGIE	Small Supplier	Confidential Response	Confidential Rationale
Utilita Energy Ltd	Large Supplier	No costs	See response to Q7
Scottish and Southern Electricity Networks	Network Party	Less than £100k	The costs identified will be incurred as a result of the implementation of the PAB and PAF as resource will be required to address any issues and feed in to the Network Party representative.
EDF Energy Customers Ltd	Large Supplier	£100k-£250k	Without any clarity on the scope of the SEC PAF or the PATs that will be applied (especially any reporting obligations) as a result it is impossible to accurately estimate the costs of implementation. The costs could easily be higher (or lower) than estimated depending on the lower-level detail, which we have already noted must be clearer before this Modification can be approved.

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Question 8			
Respondent	Category	Response	Rationale
Octopus Energy	Large Supplier	Yes	Without a clear and defined understanding of the level of engagement required from Users on the Annual Risk Assessment Report and Forums, then it's very difficult to provide a clear cost estimate, however, it is likely to run into the 10's of thousands of pounds on a yearly basis.
British Gas	Large Supplier	N/A	We don't believe this will require any system changes, but it will add to the reporting burden. We won't be able to estimate the exact cost impact until we see the next level of detail in 2024.
Data Communications Company	Other	No costs	-

Question 9: How long from the point of approval would your organisation need to implement MP224?

Question 9			
Respondent	Category	Response	Rationale
BUUK	Network Party	<6 months	It is likely that we would have no actions to implement and so the above figure is given as a contingency only. It will be very much dependent upon any potential future information requests that we receive from the SEC PAF.
Electricity North West Limited	Network Party	Unable to answer	Refer to response to Q7
OVO Energy	Large Supplier	Immediately	-
National Grid Electricity Distribution	Network Party	None	-
ENGIE	Small Supplier	Confidential Response	Confidential Rationale
Utilita Energy Ltd	Large Supplier	None	See response to Q7
Scottish and Southern Electricity Networks	Network Party	N/A	As there is no system process change involved this will not require any implementation.

Question 9			
Respondent	Category	Response	Rationale
EDF Energy Customers Ltd	Large Supplier	3-6 months	The establishment of the PAF within the SEC would require minimal notice, however without any clarity on the scope of the SEC PAF or the PATs that will be applied (especially any reporting obligations) as a result it is impossible to answer this question accurately.
Octopus Energy	Large Supplier	None	It's not necessarily clear on the expectations from Users (noting that the Modification Report states that the data should come from a centralised source) regarding input/effort into the report and process so we'd need to monitor the PAB discussions as the process and framework is fleshed out.
British Gas	Large Supplier	No time	No time required for initial set up of PAF and PAB
Data Communications Company	Other	N/A	-

Question 10: Do you believe that MP224 would better facilitate the General SEC Objectives?

Question 10			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	This change will help 'facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers premises within Great Britain'.
Electricity North West Limited	Network Party	Yes	We agree the solution would better facilitate Objective (a).
OVO Energy	Large Supplier	Yes	A and G
National Grid Electricity Distribution	Network Party	Yes	We believe this modification will better facilitate SEC Objective (a)
ENGIE	Small Supplier	Yes	It is arguable that all the SEC Objectives will be better facilitated by this modification.
Utilita Energy Ltd	Large Supplier	Yes	This mod has the potential to positively affect all SEC objectives, as it will ensure that Parties obligations under the SEC are being fully met.
Scottish and Southern Electricity Networks	Network Party	Yes	We believe MP224 would better facilitate the General SEC Objectives as this should ensure compliance with all SEC objectives that are currently not being met.
EDF Energy Customers Ltd	Large Supplier	No	Without clarity on the scope of the PAF and how it will add value over and above the existing arrangements within the SEC (such as oversight by the Panel) we cannot agree that MP224 would better facilitate any of the SEC Objectives.
Octopus Energy	Large Supplier	Yes	We believe that MP224 would better facilitate the relevant SEC Objectives (a-g). The only objective that could be potentially hindered would be Objective d, given that competition between parties would need

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Question 10			
Respondent	Category	Response	Rationale
			to be delicately managed when reviewing, assessing, and presenting data/information regarding the performance of each relevant SEC Party.
British Gas	Large Supplier	Yes	General SEC Objective (a)
Data Communications Company	Other	Yes	We agree that the SEC Objectives better facilitated by this modification would depend on the nature of the issues resolved by the PAF. As a minimum this modification should better facilitate SEC Objectives (a) and (g), the latter of which would be benefitted by a more efficient approach to Performance monitoring and assurance.

Question 11: Do you believe there will be any impacts on or benefits to consumers if MP224 is implemented?

Question 11			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	Accountability in all systems is demonstrated to show trickle-down benefits to consumers.
Electricity North West Limited	Network Party	Yes	We agree the introduction of a PAF which could incentivise improvements in performance by SEC parties in areas which impact customers could have a benefit to customers.
OVO Energy	Large Supplier	Yes	We are hoping that this solution will deliver positive impacts to consumers through addressing poor performance and service related issues.
National Grid Electricity Distribution	Network Party	No	We believe there will be no direct impact to consumers
ENGIE	Small Supplier	Yes	Improved quality of service and improved reliability.
Utilita Energy Ltd	Large Supplier	No	The measures employed under the PAF would only come into play under circumstances where obligations are not being met, which should be rare, therefore we believe consumers will not be directly impacted by this modification.
Scottish and Southern Electricity Networks	Network Party	Yes	We believe there would be benefits as we would be impacted by the implementation of the PAF, as we are currently unable to speak to a number of devices on our estate due to an obligation not being met. The implementation of MP224 would hopefully recognise this risk and result in this issue being resolved.
EDF Energy Customers Ltd	Large Supplier	No	Without clarity on the scope of the PAF and how it will add value over and above the existing arrangements within the SEC we cannot see how MP224 would benefit consumers.

Question 11			
Respondent	Category	Response	Rationale
Octopus Energy	Large Supplier	Yes	We can see that there would be benefits to consumers by the improvement in the quality of Installations, Post-Installation requirements, and maintaining the accuracy of the inventory. However, we believe there are existing mechanisms and Governance in place that could be a means of delivering these improvements (SEC Governance Forums and Negotiations, Appeals and Disputes).
British Gas	Large Supplier	Yes	Yes, indirectly. Ensuring compliance with the SEC will ensure a better consumer experience, particularly if it helps increase the success & speed of smart installations, and helps prevent any pre-payment customer issues.
Data Communications Company	Other	Yes	Overall, his modification will have a positive impact on quality of service as the PAF should reduce the impacts of any issues and risks to the SEC Objectives.

Question 12: Noting the costs and benefits of this modification, do you believe MP224 should be approved?

Question 12			
Respondent	Category	Response	Rationale
BUUK	Network Party	Yes	-
Electricity North West Limited	Network Party	Yes	Refer to our response to Q1 but noting our comments and challenges in response to Q2 (legal text) and Q7 (implementation).
OVO Energy	Large Supplier	Yes	-
National Grid Electricity Distribution	Network Party	Yes	-
ENGIE	Small Supplier	Yes	Provided that the detail of the PAF is adequately consulted on and Parties views are taken into account on an ongoing basis the PAF should benefit end consumers by increasing the reliability and quality of the Smart metering services under the remit of the SEC.
Utilita Energy Ltd	Large Supplier	Yes	We believe that having a formalised Performance Assurance programme would be highly beneficial in ensuring the SEC is operating as intended, and having a dedicated body to monitor and administer the programme will ensure a consistent approach is taken across the board.
Scottish and Southern Electricity Networks	Network Party	Yes	As this will resolve a number of issues highlighted through MP224 we believe this modification should be approved.

Question 12

Respondent	Category	Response	Rationale
EDF Energy Customers Ltd	Large Supplier	No	Without clarity on the scope of the PAF and how it will add value over and above the existing arrangements within the SEC we cannot agree that MP224 should be approved.
Octopus Energy	Large Supplier	Impartial	<p>We are supportive of the intent of the modification, although we have questions regarding the enforcement mechanisms and realised cost/benefit case, noting that the level of effort/engagement required by Users is unclear and whether the issue lies more within the lack of interaction with the Appeals, Negotiations and Disputes processes.</p> <p>However, we do not feel strongly enough to reject that this modification should be progressed and will engage with the development and refinement through the PAB.</p>
British Gas	Large Supplier	Yes	<p>Provided what is put in place is appropriate and a net benefit to SEC Parties and consumers, rather than a burden.</p> <p>The PAF and PAB's work should be targeted rather than generally fishing for potential issues. It should focus primarily on issues that have a consumer impact – eg any compliance breaches that may be hindering prepayment customers being able to vend, or a customer's smart meter installation being successful.</p>
Data Communications Company	Other	Yes	-

Question 13: Please provide any further comments you may have.

Question 13		
Respondent	Category	Comments
BUUK	Network Party	-
Electricity North West Limited	Network Party	We recommend this modification is closely aligned with outputs of Ofgem's Energy Code Reform Significant Code Reform which is expected to publish further updates as part of a series of Winter consultations 2023.
OVO Energy	Large Supplier	We are concerned that the OPSG already has a lot on its Agenda and is unable to cover off all aspects of the Operational landscape, or in as much detail as we feel necessary. There are so many topics that come under the OPSG and, although doing an effective job, we don't necessarily feel that there are enough ways to flag Operational issues.
National Grid Electricity Distribution	Network Party	-
ENGIE	Small Supplier	No further comment.
Utilita Energy Ltd	Large Supplier	No further comments.
Scottish and Southern Electricity Networks	Network Party	N/A
EDF Energy Customers Ltd	Large Supplier	-

Question 13		
Respondent	Category	Comments
Octopus Energy	Large Supplier	-
British Gas	Large Supplier	-
Data Communications Company	Other	-