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SEC Modification Proposal Form – SECMP0047

Mod Title

Default provisions for Other SEC Parties

Submission Date

27/03/2018

Details of Proposer

| | |
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SECMP0047
Modification
Proposal Form

DD MONTH YEAR

Version 0.1

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1. What issue are you looking to address?

SEC [Section M 'General'](#) sets out provisions for the suspension, expulsion and withdrawal of SEC Parties from the SEC, with M8.1 specifically setting out provisions related to Events of Default and what would constitute a default under the SEC. M8.1(a) states that a Party is a 'Defaulting Party' if:

- it does not hold an Energy Licence and has not, during any period of six consecutive months, done any or all of the following: (i) taken one or more Services; and/or (ii) made a request for a formal offer for a proposed Elective Communication Service;

M8.1(a) currently has a transitional variation applied to it which is due to expire on 31 October 2018 (meaning that, until this date, this obligation does not apply to SEC Parties). However, from 31 October 2018, any SEC Party not holding a licence that is not a DCC User or otherwise taking Services or Elective Communications Services will be in default of the SEC, as per M8.1(a).

2. Why does this issue need to be addressed? (i.e. Why is doing nothing not an option?)

There are a number of SEC Parties who have joined the code to gain access to information and be part of the market. However, they have no need or desire to take on DCC services. Placing such parties, and a lot of them, in default is not proportionate nor in line with original intent of provisions.

3. What is your Proposed Solution?

This Modification proposes changes to SEC Section M to remove 8.1(a), ensuring that Parties not holding a licence will not be in default should there be no need for them to become a DCC user or otherwise taking Services or Elective Communications Services from the DCC by 31 October 2018.

4. What SEC objectives does this Modification better facilitate?

This modification will better facilitate SEC Objective (g¹) as it will facilitate the efficient and transparent administration and implementation of this Code.

5. What is the requested Path type?

Path 3

This modification should be progressed as a Path 3 'Self-Governance' Modification Proposal as it will not result in a material impact on competition or create undue discrimination between classes of Party, as per the requirements in SEC Section D2.6 for needing an Authority determination.

6. Are you requesting that the Modification Proposal be treated as Urgent?

No

N/A

¹ the seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of this Code

7. What is your desired implementation date?

31 October 2018, aligning with the date the transitional variation expires.

8. Which SEC Parties are expected to be impacted? (Please mark with an X)

| | | | |
|-----------------------------|-------------------------------------|------------------------|--------------------------|
| Large Supplier Parties | <input type="checkbox"/> | Small Supplier Parties | <input type="checkbox"/> |
| Electricity Network Parties | <input type="checkbox"/> | Gas Network Parties | <input type="checkbox"/> |
| Other SEC Parties | <input checked="" type="checkbox"/> | | |

Although Other SEC Parties will not be directly impacted due to the implementation of this modification, we do believe they will be positively impacted as this modification will ensure a large number of Other SEC Parties will not be in default of the code when the transitional variation of M8.1(a) expires on 31st October 2018.

9. Which parts of the SEC will be impacted?

This modification will impact SEC Section M 'General'.

10. Will there be an impact on Central Systems? (Please mark with an X)

| | | | |
|------------------------|--------------------------|---------------------------|--------------------------|
| DCC Systems | <input type="checkbox"/> | Party interfacing systems | <input type="checkbox"/> |
| Smart Metering Systems | <input type="checkbox"/> | Communication Hubs | <input type="checkbox"/> |
| Other systems | <input type="checkbox"/> | | |

There will be no impacts to systems due to the implementation of this modification.

11. Will there be any testing required?

There is no testing required due to the implementation of this modification.

12. Will this Modification impact other Energy Codes?

No

There are no impacts to other industry codes.

13. Will this Modification impact Greenhouse Gas Emissions?

No

There are no impacts to Greenhouse Gas Emissions.