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## SEC Modification Proposal Form – SECMP0049

### Mod Title

Section D Review: Amendments to the Modification Process

### Submission Date

5<sup>th</sup> April 2018

#### Details of Proposer

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#### Details of Representative (if applicable)

Name:	n/a
Organisation:	n/a
Contact Number:	n/a
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## 1. What issue are you looking to address?

SECAS has been looking at ways to improve the SEC change process and, at the SEC Panel's request, undertook a full review of SEC Section D.

One of the review's recommendations was to introduce greater Change Board input to the change process and establish a 'pre-modification process' to allow for modifications to be further discussed and developed before entering the Refinement Process. This modification seeks to implement the findings of the review, as described in Section 2 of SECAS's Section D Review Consultation document.

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

The SEC Modification Process was switched on in February 2016. Since then, around 50 modifications have been submitted. However, it has been apparent that many of these modifications would have benefitted from further work and discussion prior to being submitted into the 'formal' process. In a couple of cases, modifications raised in 2016 are still without a firm solution due to the Proposer and the industry being unable to develop one under the Refinement Process. In these cases, progression through a more informal discussion stage may have helped to shape the modification, and the issue it seeks to address, and more clearly identify up-front whether there is an effective solution. This would save industry time and resource in not having to then develop and assess modifications that may not be practical or have minimal business case.

Many of the modifications have also proven to be expensive as standalone changes, which severely impacts upon the benefits case for their implementation, particularly now that the Authority is requesting more detailed cost-benefit cases to be provided for each proposal. A mechanism to identify where efficiencies can be achieved would be beneficial.

We note that some of the other code modification processes contain pre-modification stages which allows for this sort of discussion and consideration to take place. In particular we note the Issues Resolution Expert Group (IREG) under the Master Registration Agreement (MRA), which acts as a pre-modification filter that all proposals must go through prior to a formal Change Proposal being raised. We believe there would be benefits in having a similar pre-modification process under the SEC, using the existing Change Board to fulfil this.

## 3. What is your Proposed Solution?

This modification seeks to implement changes to the end-to-end modifications process to enhance the role of the Change Board and to introduce a 'pre-modification process' to allow the scope of new proposals to be further assessed before they enter the solution development stage.

The solution that we propose to implement under this modification is that documented in Section 2 of SECAS's Section D Review Consultation document.

The key changes this would introduce are:

- The Change Board will consider a new modification when it is raised, before the modification is presented to the Panel. It's views and comments on the modification and the areas that need to be considered will be taken into

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account by the Panel when it sets the direction and timetable for the modification.

- A new stage in the process, dubbed the 'Development Stage' will be added to act as a 'pre-modifications process'. The Panel can choose to submit a modification to this stage when it is first raised. During this stage, a modification remains as 'draft', and the scope of it can be changed by the Proposer. The Change Board, along with any other interested participants, will discuss the modification and provide views and feedback for the Proposer to consider.
- The Change Board will also consider a modification towards the end of the Refinement Process and provide a view on whether the work completed is sufficient for it to be able to vote during the Report Phase. For modifications that require a DCC Impact Assessment, the Change Board's deliberations will take place prior to that step in the process and will include a vote on whether the modification should be issued for Impact Assessment noting the costs this will incur. That vote will form a recommendation to the Proposer on whether to proceed or whether to withdraw the modification.

SECAS's consultation also considered introducing the ability for the Panel to be able to close a modification that is stalling and clearly not proceeding. We believe such powers should be introduced, but agree that, in the interests of supporting open governance and a Proposer's right to raise any modification they wish, there needs to be a clear process with clear criteria to be met before any such powers are invoked. We are open to views from the Working Group on how this element should work.

#### 4. What SEC objectives does this Modification better facilitate?

This modification will better facilitate SEC Objective (g) 'facilitate the efficient and transparent administration and implementation of this Code'.

Introducing a 'pre-modification process' will better enable potential modifications to be assessed prior to entering the formal process. Part of this stage will be to consider the merits of the change. This will improve efficiency by reducing the number of modifications with little chance of success from undergoing a full assessment, incurring the corresponding SECAS and industry time and resource, which would allow this to be focused on modifications with a greater chance of success. Early consideration of the modification by the Change Board will also support drawing out up-front the areas that will need to be considered by the Working Group as the modification progresses, allowing the Panel to set more effective timetables.

#### 5. What is the requested Path type?

Path 2

This modification will make material changes to the processes in SEC Section D. This satisfies criteria (d) in the list of criteria in SEC Section D2.6 for a modification to require an Authority determination.

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

No

This modification does not meet the urgency criteria.

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## 7. What is your desired implementation date?

1 November 2018 (November 2018 SEC Release) – we believe that this modification can be included as part of this release. This will also achieve efficiencies by being implemented alongside SECMP0034 which is also amending Section D.

## 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 type="checkbox"/>		

We do not believe that the implementation of this modification will have a direct impact on any SEC Parties, as it is seeking only to make changes to the Modification Process within the SEC. However, SEC Parties may benefit from the enhancements to the process that this modification seeks to make, allowing for a more effective and efficient assessment of changes.

## 9. Which parts of the SEC will be impacted?

Section D

## 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 impact on Central Systems.

## 11. Will there be any testing required?

No testing will be required.

## 12. Will this Modification impact other Energy Codes?

No

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We do not expect any other Code to be impacted by this modification.

**13. Will this Modification impact Greenhouse Gas Emissions?**

No

There will be no impact on greenhouse gas emissions.