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SECMP0051 Initial Modification Report

About this document

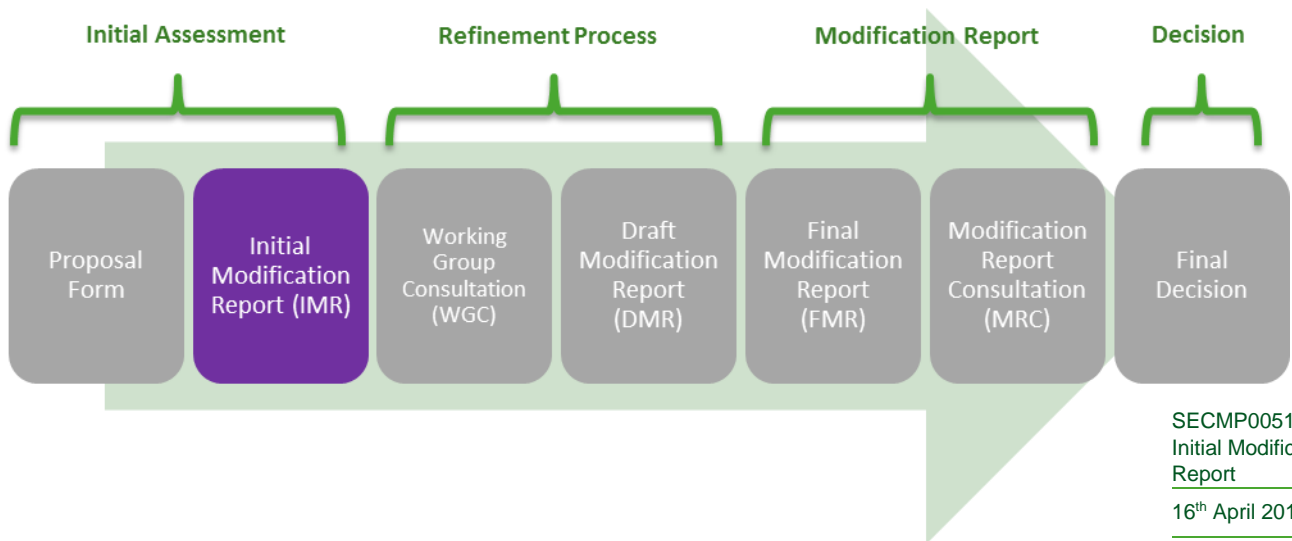
This Initial Modification Report (IMR) contains our initial assessment of SECMP0051. It also provides information on the issue, the Proposer’s solution, potential impacts, costs and proposed progression.

This document is submitted to the Smart Energy Code (SEC) Panel for consideration to determine how this Modification Proposal should be progressed through the Modification Process.

As part of this document the Panel were invited to:

- **AGREE** that this modification should be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREE** the Working Group Terms of Reference;
- **AGREE** the progression timetable set out in Section 6; and
- **AGREE** that SECMP0051 should be progressed as a Path 2 Modification Proposal.

Where are we in the process?



SECMP0051
Initial Modification Report

16th April 2018

Version 1.0

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Stage 01: Initial Modification Report

SECMP0051:

Section D Review: Amendments to the Fast Track Modification process

What stage is this document in the process?

01	Initial Assessment
02	Refinement Process
03	Modification Report
▶ 04	Decision

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Summary

This modification seeks to streamline the process for progressing a Fast Track Modification Proposal through the SEC Modifications Process, by aligning the process to that used under other energy codes.

Proposed Progression

This Modification Proposal is recommended to be:

P2

- progressed as a Path 2: Authority Determined Modification Proposal; and
- progressed through the refinement process for three months.

3
Months

Potential Impacts



- There are no identified impacts that place any additional obligations or process changes directly on SEC Parties..
- There are no impacts on DCC Central Systems or Party interfacing systems.

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About this Document

This is an Initial Modification Report (IMR). This document contains details of the issue, solution, potential impacts and costs as well as the proposed progression for SECMP0051.

This document has one attachment:

- Attachment A contains the SECMP0051 Modification Proposal Form.

The Panel considered this IMR at its meeting on 13th April 2018 and determine how this Modification Proposal (modification) should be progressed through the Modification Process.

1. Summary

What is the issue?

The Fast Track Modification process is used to progress self-evident changes to the SEC in an expedited manner. The recent SEC Section D Review has identified that this process under the SEC is not as efficient as the equivalent process under other energy codes, and that the SEC process should be aligned with the other codes.

What is the Proposed Solution?

This modification proposes to make changes to the Fast Track Modification process under SEC Section D to streamline the process and align it with the equivalent process under other energy codes.

Potential impacts

Party

Large Supplier Parties		Small Supplier Parties	
Electricity Network Parties		Gas Network Parties	
Other SEC Parties			

System

DCC Systems		Party interfacing systems	
Smart Metering Systems		Communication Hubs	
Other systems			

Potential implementation costs

We believe that the cost to implement SECMP0051 will be limited to SEC time and effort to deliver the necessary changes.

Proposed progression

We recommended that this modification is progressed to the Refinement Process for a three-month assessment by a Working Group.



2. What is the issue?

The SEC Section D Review

In January 2018, the Panel requested SECAS carry out a full review of SEC Section D: Modification Process, and to capture any proposals for how to improve the efficiency of how change is progressed or delivered.

The SECAS review consisted of a workshop held in February 2018 to discuss areas of the process, and an industry consultation issued in March 2018 on potential straw man solutions. The Panel, the Change Board, Ofgem and BEIS have also been consulted on the proposed straw man solutions.

This modification, along with SECMP0049 'Section D Review: Amendments to the Modification Process' and SECMP0050 'Section D Review: Moving the Working Group Terms of Reference to a separate document', have been raised to progress the outcomes of the review.

What is the current Fast Track Modification process?

The Fast Track process was introduced into all energy codes that had a Self-Governance route under Ofgem's Code Governance Review (Phase 2) in 2013. These provisions were therefore included under the SEC when Section D was drafted.

Fast Track Modifications allow minor housekeeping (e.g. typographical errors) or factual (e.g. changes to the names of key bodies or legislation referenced in the SEC) changes to be progressed through the process in an expedited manner, reflecting their self-evident nature. To date, there has only been one Fast Track Modification: [SECMP0001 'Updating the SEC to reflect abolition of the National Consumer Council \(NCC\)'](#), progressed in 2014.

The current process for a Fast Track Modification is:

- The Panel will agree to raise the modification.
- The industry will be notified that the modification has been raised, and will be given a minimum of 15 Working Days to comment via SECAS.
- At its next meeting the Panel will then determine whether to approve or withdraw the Fast Track Modification.
- If the Panel approves the modification, Parties then have a 10 Working Day window in which they can refer the decision to the Authority.

This two-step process for the Panel raising then approving these modifications is different to how the Fast Track process works under many other codes, where such modifications can be raised and approved at the same meeting, with a subsequent period for parties to object. In practice, this process will only save around two weeks compared to if the modification was progressed directly to the Report Phase as a Self-Governance Modification.



Furthermore, only the SEC Panel can raise Fast Track Modifications, which is different to other codes, which allow other parties to also raise such changes.

What is the issue?

The Section D Review recommended that the Fast Track Modification process should be aligned to that under other energy codes. This modification has been raised to take this proposal forward.

3. Solution

Proposed solution

SECMP0051 'Section D Review: Amendments to the Fast Track Modification process' was raised by Simon Trivella of Centrica on 5th April 2018.

This modification would replace the current Fast Track Modification process with the following, which is based upon the process followed under other energy codes:

- The Panel will be able to simultaneously raise and approve a Fast Track Modification at the same meeting. It will only be able to approve the modification as a Fast Track Modification if that decision is unanimous. If this decision is not unanimous, this would be an indication that the change is not manifestly obvious or a clear matter of fact, and the Panel must progress the modification down a different route (e.g. direct to the Report Phase as a Self-Governance Modification).
- If the Panel approves the modification as a Fast Track Modification, Parties will have a 15 Working Day window in which to object to the decision.
 - If an objection is received, the modification is returned to the Panel for it to progress down a different route.
 - If no objections are received, the decision to approve is final and the modification is implemented on the agreed date.

This modification also proposes that any participant eligible to raise SEC Modification Proposals can request their modification be progressed as a Fast Track Modification. When the Panel first considers the modification, it will determine whether it would qualify for Fast Track status. Again, such a vote must be unanimous, and if it is not then the modification must progress down a different route.

The full end-to-end solution proposed by this modification is that covered in Section 4 of the SEC Section D Review Consultation document.

Views against the General SEC Objectives

The Proposer believes that this Modification Proposal better facilitates General SEC Objective (g)¹.

Streamlining the process for progressing and approving self-evident changes will improve the efficiency of the process. The Panel will only need to consider a Fast Track proposal once, rather than twice, before it is approved. The requirement for the Panel's approval of a Fast Track Modification to be a unanimous one will provide a sanity-check on whether a modification meets the criteria to progress as a Fast Track Modification.

¹ Facilitate the efficient and transparent administration and implementation of this Code



For the avoidance of doubt, the Proposer believes that this modification is neutral against the other Objectives.

4. Potential Impacts

The following section sets out the initial assessment of likely impacts and costs should SECMP0051 be approved and implemented. Additional impacts/costs may be identified by the Working Group as part of the Refinement Process.

SEC Party impacts

Large Supplier Parties		Small Supplier Parties	
Electricity Network Parties		Gas Network Parties	
Other SEC Parties			

This modification is not expected to place any additional obligations or internal process changes directly on any SEC Party. All Parties will benefit from the changes identified to improve the Modification Process.

Central System impacts

DCC Systems		Party interfacing systems	
Smart Metering Systems		Communication Hubs	
Other systems			

This modification will not impact on any systems.

SEC and Subsidiary Document impacts

This modification will require changes to SEC Section D 'Modification Process'.

Impacts on other industry codes

This modification is not expected to impact on any other industry codes.

Greenhouse Gas Emission impacts

This modification will have no impact on greenhouse gas emissions.



5. Potential Costs

Potential implementation costs

The cost to implement SECMP0051 is expected to be limited to the SEC Administration time and effort for:

- Making the necessary amendments to the SEC;
- Releasing a new version of the SEC to SEC Parties; and
- Publishing the updated SEC on the SEC website.

However, this will be confirmed as part of the Working Group's assessment and development of the modification.

6. Proposed Progression

Modification Path

We and the Proposer recommended that SECMP0051 be progressed as a Path 2: Authority Determined Modification Proposal.

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.

Proposed progression

For efficiency, we proposed that all the modifications arising from the Section D Review, SECMP0049, SECMP0050 and SECMP0051, are progressed in parallel and assessed by a joint Working Group.

We recommended the following progression timetable for Panel consideration.

Activity	Date
Modification Proposal raised	05 Apr 18
IMR presented to Panel	13 Apr 18
Working Group meeting	W/B 30 Apr 18
Working Group Consultation	17 May 18 – 08 Jun 18
Working Group meeting	W/B 18 Jun 18
Panel reviews Modification Report	13 Jul 18
Modification Report Consultation	13 Jul 18 – 03 Aug 18
Change Board vote	22 Aug 18
Authority decision (<i>Path 2 only</i>)	Around 28 Sep 18

Refinement length

We recommended that this modification is submitted to the Refinement Process for three months to allow for an assessment by a Working Group. This three-month timeframe will allow for:

- a full Working Group assessment to take place (two or three meetings); and
- one 15 Working Day industry consultation to be issued and reviewed.



For a more detailed progression plan please see Appendix 1.

Working Group

Membership

We recommended that the SECMP0051 Working Group be made up of representatives from the Section D Review Workshop, individuals with expertise in Industry Code governance, and any other interested parties.

Terms of reference

In order to assess the Modification Proposal fully, we recommended that the Working Group considers the following specific questions in addition to the standard terms of reference questions.

Q1: What criteria should be used to determine if a modification is Fast Track?

The SEC currently states that Fast Track Modifications can be raised “to correct typographical or other minor errors or inconsistencies in this Code” (SEC Section D2.8). The Working Group should consider whether this criteria to be a Fast Track Modification is sufficient, and whether there are any other scenarios where a Fast Track Modification would be appropriate should be captured within the SEC.



7. Recommendations

The SEC Panel:

- **AGREED** that this modification should be submitted into the Refinement Process to be assessed by a Working Group;
- **AGREED** the Working Group's terms of reference;
- **AGREED** the progression timetable set out in Section 6; and
- **AGREED** that this modification should be progressed as a Path 2 Modification Proposal.

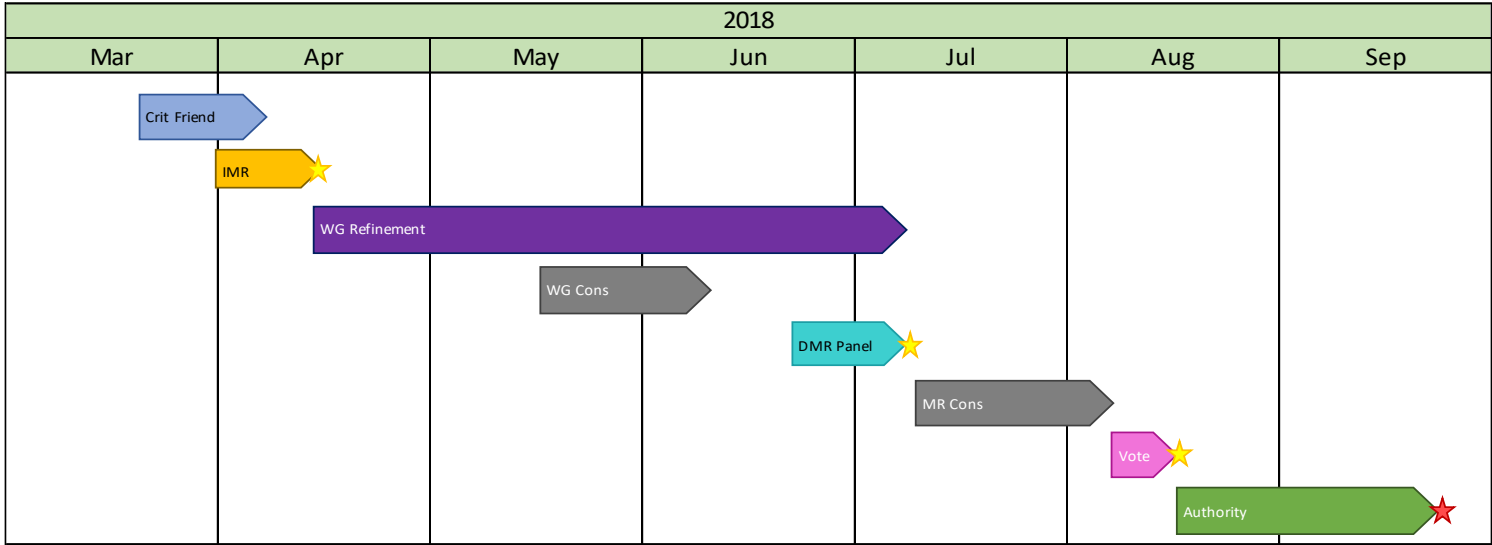


SEC
Smart Energy Code

Appendix 1: Detailed Progression Plan

Please note that the progression plan shown below is subject to change.

Panel agreed milestone ★ Decision Date ★





Appendix 2: Glossary

The table below provides definitions of the terms used in this document.

Acronym	Defined Term
DCC	Data and Communications Company
IMR	Initial Modification Report
SEC	Smart Energy Code
SECAS	Smart Energy Code Administration and Secretariat