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Stage 04: Modification Report Consultation Responses

SECMP0027 'Amending Service Request Forecasting'

What stage is this document in the process?

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

About this document

This document contains the collated responses to the SECMP0027 Modification Report Consultation (MRC). The Change Board will consider these responses when making its determination on this modification.

If you would like any further information, or to discuss any questions you may have, please do not hesitate to contact Talia Addy on 020 7090 1010 or email SEC.Change@gemserv.com.

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About this Document

This document contains the collated responses to the Modification Report Consultation (MRC) for SECMP0027.

The Change Board will consider these responses at its meeting on 20th June 2018, where it will determine whether SECMP0027 should be approved or rejected.

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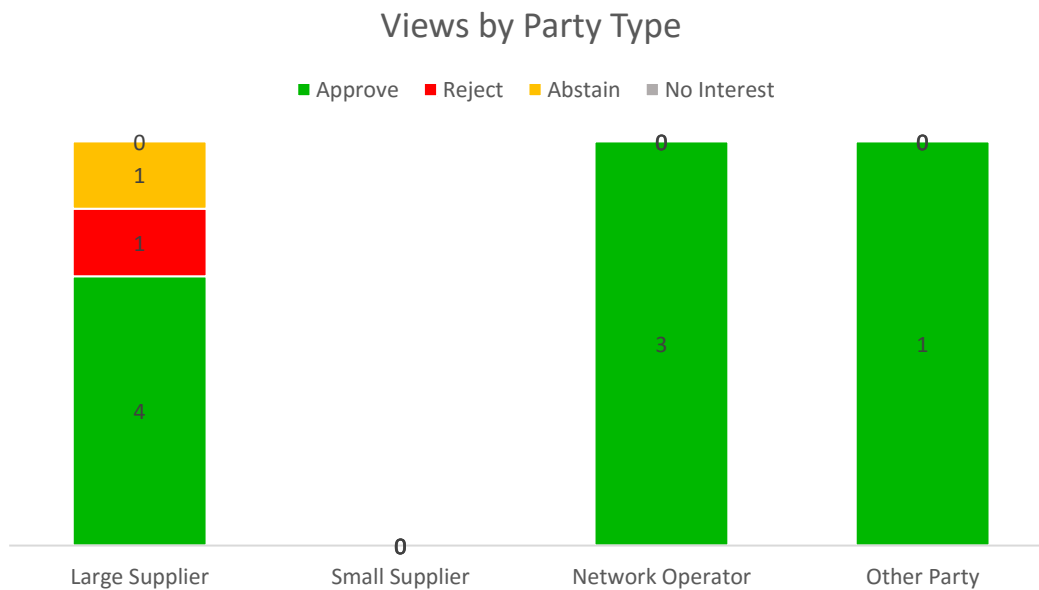
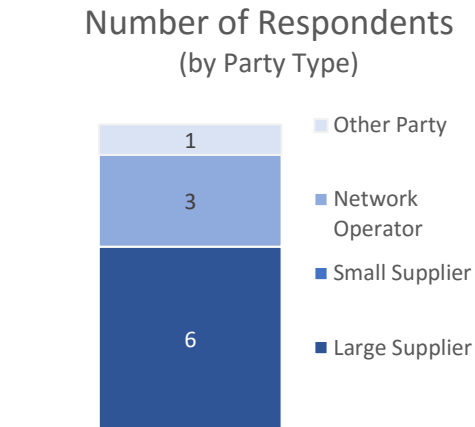
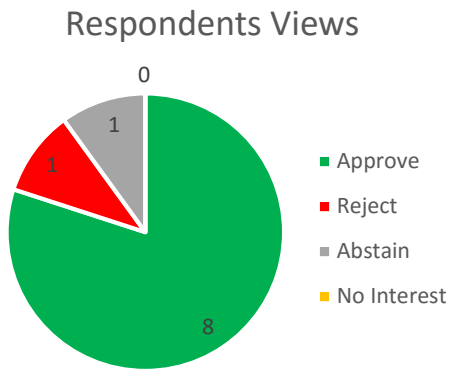
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Summary of Responses

This section summarises the responses received to the SECMP0027 MRC.



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Question 1

Q1: Do you agree that the proposed solution better facilitates the SEC Objectives?

Party Name	Party Category	Yes/No/ Neutral	Comments
Scottish and Southern Electricity Networks	Network Operator	Yes	-
EDF Energy	Large Supplier	No	<p>We believe that the current SEC baseline caters for the situation that this Modification is seeking to address, and does so in a way that is more flexible than the proposed solution.</p> <p>Section H3.25 of the SEC states that:</p> <p>“The Panel may decide not to publish one or more parts of a report concerning under-forecasting or over-forecasting as referred to in Section H3.24(c)(ii) where the Panel considers that the under-forecasting or over-forecasting was reasonable in the circumstances (including where it arose as a result of matters beyond the User’s reasonable control).”</p> <p>In our view the proposed change actually makes this process less flexible as it creates a list of the specific SRs that might be exempted from the process – which is less flexible than the</p>

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			<p>current approach where any SRs can be exempted as long as 'the Panel considers that the under-forecasting or over-forecasting was reasonable in the circumstances (including where it arose as a result of matters beyond the User's reasonable control)'. This change also adds additional governance to the SEC arrangements through the creation and management of the list of Service Requests referred in Section H3.26 of the new legal text.</p> <p>The underlying assumption of this change seems to be that the Panel will not act reasonably in considering whether under-forecasting or over-forecasting was reasonable; there is no evidence that this could be the case, or that this Modification is addressing an actual problem affecting the SEC governance arrangements.</p>
Utility Warehouse Limited	Large Supplier	Yes	We believe this modification better facilitates general objective (g) as The Panel not publishing reports where under forecasting only happened because of those SRs that are challenging to predict due to volatility directly outside of the Users control will assist with the efficient and transparent administration of this obligation.
TMA Data Management Ltd	Other Party	Yes	-
Electricity North West Limited	Network Operator	Yes	Yes SECMP0027 proposals can further facilitate the relevant SEC objectives and reduce the administrative burden on parties, the DCC and the SEC Panel,

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Npower	Large Supplier	Yes	Npower believe this modification will better facilitate the SEC objectives outlined within the modification
E.ON Energy Solutions	Large Supplier	No	We do not believe that there is sufficient evidence to date to show that the solution proposed herein will better facilitate objectives d, or g. – The SRs noted will only ever be a portion of the 10% tolerance for overall SR forecasting and we are not therefore convinced that in removing the SRs noted within the solution that Parties will avoid having their names published for under or over forecasting; in addition we don't believe that there is a process for the addition and removal of SRs that would permit rather than contravene the facilitation of the objectives noted (e.g. it is possible for SRs to end up on the exemption list that adversely impact DCC Capacity due to insufficient forecasting by Parties).
SSE	Large Supplier	Yes	We believe that this solution will better facilitate Objective G.
Western Power Distribution	Network Operator	Yes	We believe that this modification better facilitates SEC Objective (d) as it will prevent Users being 'named and shamed' through actions that are beyond their control and this will aid effective competition. This modification also better facilitates SEC Objective (g) by facilitating transparent administration of the Code.
Utilita Energy (late response)	Large Supplier	Yes	As the proposer of this Modification we continue to strongly support this change and believe it better facilitates SEC Objectives D and G by removing the challenges Supplier are faced with in predicting certain Service Requests 9 months in advance like in the case of customer driven behaviours such as top ups. We believe this will enable more accurate forecasts

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			to be reported to the Panel and prevent reputation damage of Suppliers where mis-forecasts were provided at no fault of their own.
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Question 2

Q2: Having considered the potential impacts and costs to your organisation, as well as the cost to deliver the modification, do you agree that SECMP0027 should be approved?

Party Name	Party Category	Yes/No	Comments
Scottish and Southern Electricity Networks	Network Operator	Yes	-
EDF Energy	Large Supplier	No	As per our response to Question1 we not believe that the proposed change would deliver any benefit to the current arrangements, and in fact could be considered to be a backward step.
Utility Warehouse Limited	Large Supplier	Yes	Yes, we believe this modification should be approved.
TMA Data Management Ltd	Other Party	Yes	-
Electricity North West Limited	Network Operator	Yes	The modification proposal to now combine the two options and decision to add SRV 7.4 'Read Supply Status' gives some additional flexibility to all parties.
Npower	Large Supplier	Yes	-

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E.ON Energy Solutions	Large Supplier	Neutral	We do not perceive there to be any demonstrable value associated with the implementation of this modification currently, but the potential risks noted above are not demonstrable at this stage either. We are therefore minded to accept the decision of Industry with the belief that the forecasting arrangements will likely be amended in future once things are more stable anyway (i.e it is not perceived likely that the 9 month requirement will remain in place for all SRs once DCC is stable and the 'Traffic Management', and 'Capacity' Models are in place).
SSE	Large Supplier	Yes	We support the implementation of this modification as the current arrangement risks unfairly penalising parties. This solution poses minimal impacts to parties but provides considerable benefits by reducing this risk, as well as streamlining the process for amendments to the report in future.
Western Power Distribution	Network Operator	Yes	We believe that this modification should be approved as the costs are minimal and it will stop any negative fall out on Users due to circumstances that are beyond their control.
Utilita Energy (late response)	Large Supplier	Yes	We strongly support this Modification and believe the benefits to its implementation strongly outweigh the minimal costs being quoted and any impacts to suppliers in amending their processes for forecasting Service Requests.

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Question 3

Q3: Do you agree that draft legal text changes deliver the intention of the modification ?

Party Name	Party Category	Yes/No	Comments
Scottish and Southern Electricity Networks	Network Operator	Yes	-
EDF Energy	Large Supplier	Yes	We have not identified any issues with the draft legal text.
Utility Warehouse Limited	Large Supplier	Yes	We agree the draft legal text delivers the intention of this modification.
TMA Data Management Ltd	Other Party	Yes	-
Electricity North West Limited	Network Operator	Yes	-
Npower	Large Supplier	Yes	-
E.ON Energy Solutions	Large Supplier	Yes	We believe that the current legal drafting delivers the intent of the Modification, but we note that additional clarification is required with regard to the process by which the list of SRs can be amended.

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SSE	Large Supplier	Yes	-
Western Power Distribution	Network Operator	Yes	-
Utilita Energy (late response)	Large Supplier	Yes	We fully support the proposed legal drafting and have no other comments

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Question 4

Q4: Do you agree with recommended implementation date?

Party Name	Party Category	Yes/No	Comments
Scottish and Southern Electricity Networks	Network Operator	Yes	-
EDF Energy	Large Supplier	Yes	We agree with the proposed implementation date.
Utility Warehouse Limited	Large Supplier	Yes	We agree with the proposed implementation date.
TMA Data Management Ltd	Other Party	Yes	-
Electricity North West Limited	Network Operator	Yes	-
Npower	Large Supplier	Yes	-
E.ON Energy Solutions	Large Supplier	Yes	If Industry decide to implement this Modification the current implementation date seems appropriate.
SSE	Large Supplier	Yes	-

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Western Power Distribution	Network Operator	Yes	-
Utilita Energy (late response)	Large Supplier	Yes	We would like to see the Modification implemented as soon as possible and therefore support a November 2018 implementation date.

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Question 5

Q5: Do you have any further comments on SECMP0027?

Party Name	Party Category	Yes/No	Comments
Scottish and Southern Electricity Networks	Network Operator	No	-
EDF Energy	Large Supplier	No	We have no additional comments to make on SECMP0027.
Utility Warehouse Limited	Large Supplier	No	-
TMA Data Management Ltd	Other Party	No	-
Electricity North West Limited	Network Operator	Yes	We are disappointed that our suggestion (in our response to the Working Group consultation) to use this modification as opportunity to introduce de-minimis levels below which the reporting of Service Request variations are not required - was deemed to be outside of scope. We will take it under consideration whether to raise this as a new modification proposal but would like it noted that an additional modification would incur unnecessary additional costs when it could have been dealt with under SECMP0027.

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Npower	Large Supplier	No	-
E.ON Energy Solutions	Large Supplier	Yes	Given the potential for the forecasting arrangements to change, and the lack of business-case associated with this Modification due to the current lack of viable data concerning forecasting activities, we believe that it may be beneficial to postpone the Modification until a demonstrably beneficial solution can be created. That said, we are happy for this Modification to be implemented if so desired by Industry because the associated costs are not significantly material.
SSE	Large Supplier	Yes	We remain in support of this proposal, although we will continue to forecast our SRs as usual.
Western Power Distribution	Network Operator	No	We are supportive of this change, in particular to the inclusion of SRV7.4 as this is a SRV that we will use extensively. This will usually occur during adverse weather conditions when the network is badly affected. As we are unable to predict these weather conditions or the impact it will have on our networks, we are unable to forecast accurately the use of this SRV to check customer's supplies have been restored. If this modification is approved, and we are outside our 10% tolerance due to this SRV, we will not be 'named and shamed' through actions that are beyond our control, as details of the report cannot be published. This will also enable us to put our customers first without fear of negative publicity.
Utilita Energy (late response)	Large Supplier	No	-

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