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Stage 04: Modification Report Consultation Responses

SECMP0047 'Default Provisions for Other SEC Parties'

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 SECMP0047 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 Harry Jones on 020 7081 3345 or email SEC.Change@gemserv.com.

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Consultation
Response Form

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About this Document

This document contains the collated responses to the Modification Report Consultation (MRC) for SECMP0047.

The Change Board will consider these responses at its meeting on 23rd May 2018, where it will determine whether SECMP0047 should be approved.

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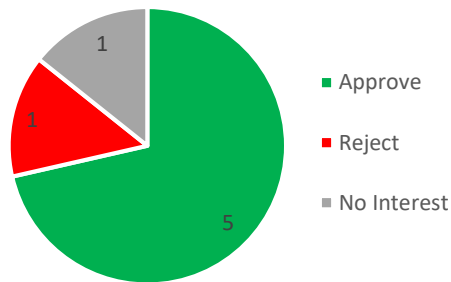
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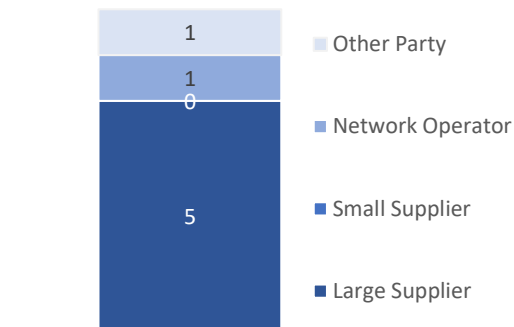
Summary of Responses

This section summarises the responses received to the SECMP0047 MRC.

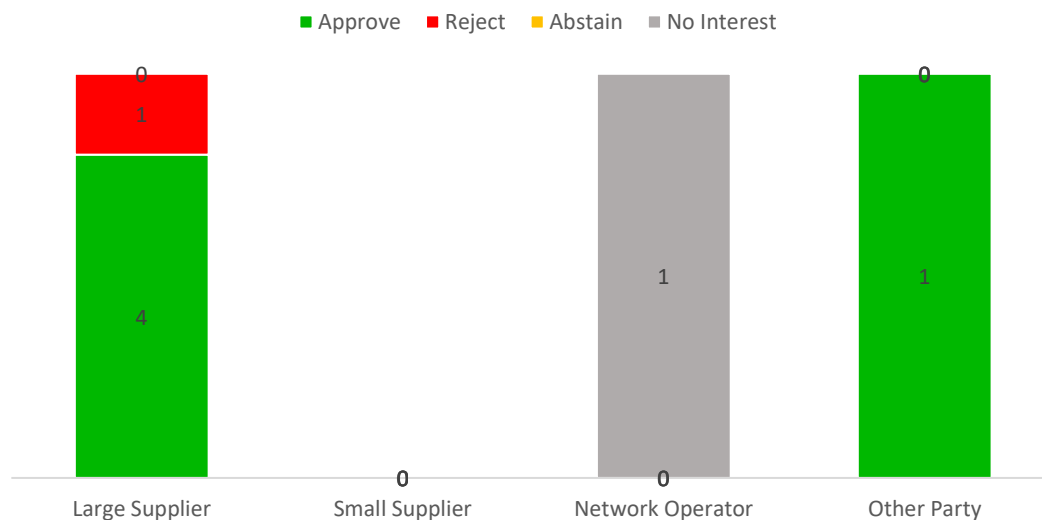
Respondents Views



Number of Respondents
(by Party Type)



Views by Party Type



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Question 1

Q1: Do you agree that the [proposed/alternative] solution better facilitates the SEC Objectives?

Party Name	Party Category	Yes/No/ Neutral	Comments
Centrica plc	Large Supplier	Yes	The proposal better facilitates the administration and operation of the Code. Other Users will not all become DCC Users but still have a role to play in SEC governance. Placing Parties in default, and possibly expelling them from the SEC, is not a beneficial arrangement. Secondly, the administrative burden on SECAS / SEC Panel of facilitating the default procedures will be avoided through this modification.
SSEN	Network Operator	n/a	n/a
Itron Metering Solutions UK Limited	Other	Yes	This modification will better facilitate the seventh SEC Objective C1.1 (g) as it will facilitate the efficient and transparent administration and implementation of this Code.
E.ON Energy Solutions	Large Supplier	No	In our view, the removal of SEC Section M8.1 (a) would facilitate neither the efficient and transparent administration of this Code, nor the efficient and transparent implementation thereof. Therefore we do not believe that this modification supports objective g. Conversely, we believe the intention of this section is to facilitate the efficiency of the Code's administration and therefore believe that an alternative solution ought to be investigation (e.g. processes such as those under MRA).

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SEC
Smart Energy Code

EDF Energy	Large Supplier	Yes	We agree that the proposed solution better facilitates SEC Objective (g) as it should not be the case that SEC Parties need to become DCC Users, they can still provide a valuable contribution to the management of the SEC and smart metering without using DCC services.
npower	Large Supplier	Yes	We are generally supportive of this modification, however, is it worth considering that the removal of a complete clause to cover a sub-set of signatories to the SEC may be a blunt instrument and could potentially allow other parties to technically remain a party when they should be legitimately removed
Utility Warehouse Ltd.	Large Supplier	Yes	We believe that this proposal would better facilitate general objective (g) by making it clear that companies that have signed up to the SEC as an 'Other SEC Party' will not be in Default if they choose not to use DCC Services.

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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 SECMP00XX should be approved?

Party Name	Party Category	Yes/No	Comments
Centrica plc	Large Supplier	Yes	n/a
SSEN	Network Operator	n/a	n/a
Itron Metering Solutions UK Limited	Other	Yes	n/a
E.ON Energy Solutions	Large Supplier	No	As given in our answer to question 1, we believe that an alternative solution wherein Section M8.1 (a) is not removed ought to be considered.
EDF Energy	Large Supplier	Yes	We can see no reason why this change should not be approved.
npower	Large Supplier	Yes	Costs are minimal
Utility Warehouse Ltd.	Large Supplier	No	We support the intent of this modification, but do not support the proposed solution as we believe that changes are needed to the proposed legal text.

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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
Centrica plc	Large Supplier	Yes	n/a
SSEN	Network Operator	n/a	n/a
Itron Metering Solutions UK Limited	Other	Neutral	n/a
E.ON Energy Solutions	Large Supplier	Yes	We believe that the legal text proposed reflects the intended solution of the Modification.
EDF energy	Large Supplier	Yes	We have not identified any issues with the draft legal text.
npower	Large Supplier	Yes	
Utility Warehouse Ltd.	Large Supplier	No	No. The draft legal text seeks to remove M8.1(a) as an "Event of Default" completely, meaning that a licenced party no longer holding an Energy Licence would not be considered an "Event of Default". We believe this should remain but should specifically reference those Party's that require an Energy Licence.

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			<p>We also believe that the SEC Accession Agreement (Schedule 2) will need to be updated as this currently states that</p> <p>“The New Party is either obliged by its Energy Licence to become a party to the Smart Energy Code, <u>or wishes to become a party to the Smart Energy Code in order to receive Services from the DCC.</u>”</p> <p>By not amending this then potentially any new SEC Parties acceding to the agreement that didn't have any intention of receiving Services from the DCC would be misrepresenting themselves in the Application Form, which in itself could be seen as an Event of Default.</p>
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Question 4

Q4: Do you agree with recommended implementation date?

Party Name	Party Category	Yes/No	Comments
Centrica plc	Large Supplier	Yes	n/a
SSEN	Network Operator	n/a	n/a
Itron Metering Solutions UK Limited	Other	Yes	n/a
E.ON Energy Solutions	Large Supplier	Neutral	We do not agree with the implementation of the solution currently proposed by this Modification, however if it should be approved we would note that the suggested implementation date does not accord with the approved Release Management Policy.
EDF Energy	Large Supplier	Yes	We agree with the proposed implementation date as the Transitional Variation period expires on 31 st October 2018.
npower	Large Supplier	Yes	
Utility Warehouse Ltd.	Large Supplier	Yes	We have no comments on the proposed implementation date.

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Question 5

Q5: Please provide any other comments you may have on this modification.

Party Name	Party Category	Yes/No	Comments
Centrica plc	Large Supplier	Yes	This proposal does not address whether the Code should have any differential treatment for Other Parties based on if they are DCC Users (or not). We feel this is something that the Panel should consider further if this modification is approved. If not, there is a danger that Other Parties that are DCC Users may not be able to get sufficient (or any) representation on governance groups where Other Parties are voted into seat. This is due to the number of Other SEC Parties that are not DCC Users (and never will be) is disproportionately higher than those that are (or will be) DCC Users. We do not believe this needs to be addressed prior this modification proposal being approved.
SSEN	Network Operator	Yes	No Interest
Itron Metering Solutions UK Limited	Other	Yes	No other comments.
E.ON Energy Solutions	Large Supplier	Yes	We believe that the issue identified within this Modification can be resolved without removing Section M8.1(a). We would suggest that existing arrangements permitting this be reviewed e.g. the Interested Industry Party role as in MRA.
EDF Energy	Large Supplier	Yes	No additional comments.

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SEC
Smart Energy Code

npower	Large Supplier	No	
Utility Warehouse Ltd.	Large Supplier	Yes	We support the intent of this modification and agree that Other SEC Parties should be able to remain as SEC Parties without needing to use DCC services. However, we would like to understand what analysis of the SEC has been undertaken when deciding on the proposed solution to ensure all relevant references in the SEC are updated.

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