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Stage 02: Working Group Consultation Responses

What stage is this document in the process?

01 Initial Modification Report
02 Refinement Process
03 Report Phase
04 Final Modification Report

SECMP0049 ‘ Section D Review: Amendments to the Modification Process’

About this document

This document contains the collated responses to the SECMP0049 Working Group Consultation (WGC). The Working Group (WG) will review these responses and consider them as part of the solution development for this modification.

If you would like any further information, or to discuss any questions you may have, please do not hesitate to contact Nikki Olomo on 020 7081 3095 or email SEC.Change@gemserv.com.

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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	Comments
Opus Energy Ltd	Small Supplier	Yes	SECMP0049 will better facilitate SEC Objective (g) 'facilitate the efficient and transparent administration and implementation of this Code'. We agree with the proposer that, as used for some of the other Industry Codes, the SEC Modification process could be enhanced by the introduction of a pre-modification process to help develop modifications before they are issued. As an active member of the Issues Resolution Expert Group, we've experienced first-hand the benefits of a pre-modification process utilising expert consideration to help shape proposed changes at an early stage rather than required amendments being identified during the modification process itself (which can result in time-consuming and costly change and Alternative modifications). This can also help to identify related issues for which associated Change Proposals can be raised at the same time, thereby helping to streamline the modification process.
EDF Energy	Large Supplier	Yes	We agree that SECMP0049 better facilitates General SEC Objective (g). A code as technically complex as the SEC needs an effective and efficient change process. The current Modification process is clearly not working very effectively or efficiently, with a lot of effort being expended on changes that have little chance of being

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			approved, or which spend an inordinate amount of time in the refinement phase as the solution is not clear or can't be agreed.
E.ON	Large Supplier	Neutral	There are a few potential solutions that will achieve the intent of this modification and if such a solution is implemented as envisaged the Modification will better facilitate SEC objective g. We are however cautious that this relies on a change of behaviour from SEC Parties that cannot be guaranteed with the current levels of congestion/stretch within the Industry.
SSEN	Network Party	Yes	
N Power	Large Supplier	Yes	We are supportive of the intent of this modification. We are concerned about the development of the modification by change board members who may not be the experts in the topic. What if there is disagreement between the Proposer and the Change Board, how will this be managed? More clarity on this is needed. Further consideration needs to be given to a new Working Group that will be set up at this stage to refine a modification. This Working Group may be made up of different people to those who will be reviewing at it in the "development" stage and this may create a disjoint or risk of duplication of work when it reaches refinement stage where the technical experts are duplicating/unpicking work already done which should be avoided
Western Power Distribution	Network Party	Yes	We believe that this modification better facilitates SEC Objective (g) as it will help with the efficient administration of modifications raised.

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Utilita Energy	Large Supplier	Yes	We agree with the Working Groups view that SECMP0049 better facilitates SEC Objective G. Our main reason is that we hope the introduction of a development stage will reduce the need for Modifications to go through the refinement process which creates the need for another Working Group which is hard to resource and adds delays to the process. Instead, clarification type questions, early DCC assessments and initial support from industry can be gained upfront under a Change Committee/ Change Board which should enable a Proposer to decide how worthwhile it is to progress with a Modification.

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Question 2

Q2: Will your organisation be impacted due the implementation of this modification?			
Party Name	Party Category	Yes/No	Comments
Opus Energy Ltd	Small Supplier	Yes	As referenced in our response to Q1) our organisation will be positively impacted by this modification due to the efficiencies that replicating the pre-modification processes as used for example by MRASCo, would introduce. This will include reduced resource/costs associated with the SEC modification process and the ability to more swiftly introduce required changes.
EDF Energy	Large Supplier	Yes	As a SEC Party that has raised SEC Modifications in the past and is likely to do so in the future we believe that we will directly benefit from improvements to the modifications process.
E.ON	Large Supplier	Yes	All SEC Parties will be impacted by the implementation of this Modification: positively if a solution is implemented successfully, negatively if not (elongated change process, additional resource burden etcetera).
SSEN	Network Party	Yes	RFI may be too onerous.
N Power	Large Supplier	Yes	The Working Group is expected to include some of the Change Board members, this means that Change Board reps will end up attending a lot of meetings, which may not practicable

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Western Power Distribution	Network Party	No	Western Power Distribution will not be directly impacted by the implementation of this modification, however should we need to raise a modification in the future we will benefit from the improvements being made under this modification.
Utilita Energy	Large Supplier	Neutral	We will see the benefits of this Modification being introduced through better end-to-end management of the SEC Change Process however our business processes will not be impacted.

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Question 3

Q3: Will your organisation incur any costs due to the implementation of this modification?			
Party Name	Party Category	Yes/No	Comments
Opus Energy Ltd	Small Supplier	No	As referenced in our response to Q2) we would expect cost-savings to be made if this change is introduced.
EDF Energy	Large Supplier	No	As far as we are aware we will not incur any costs as a result of the implementation of this modification.
E.ON	Large Supplier	Yes	Our proportion of the implementation costs, additional resource/travel costs for increased burden on Change Board or Issue Group etc.
SSEN	Network Party	Yes	SSEN anticipates to have to expand a greater amount of energy during these multiple phases unless some steps can be avoided. An example would be the gathering of information in support to the cost-benefits case in support of the change.
N Power	Large Supplier	Neutral	
Western Power Distribution	Network Party	No	

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Utilita Energy	Large Supplier	No	Aside from the minimal SECAS costs being quoted for implementing this Modification we do not foresee any costs being incur by our organisation.

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Question 4

Q4: Having considered the potential impacts and costs to your organisation, as well as the cost to deliver the modification, do you agreed that SECMP0049 should be approved?

Party Name	Party Category	Yes/No	Comments
Opus Energy Ltd	Small Supplier	Yes	As specified above, the introduction of a pre-modification process should enhance the SEC modification process and reduce costs to the industry as a whole.
EDF Energy	Large Supplier	Yes	We agree that the benefits are clearly outweighed by the costs, and that SECMP0049 should be approved.
E.ON	Large Supplier	Neutral	We believe that alternative solutions may better achieve the intended efficiencies and that these should be explored further. We therefore believe that the Modification ought to progress through the Refinement Process, but we do not support the current solution for approval. In particular, we do not believe that it is appropriate to codify a workaround to process failure: if the legal text needs to be amended following Modification Report Consultation something in the change process has failed somewhere.
SSEN	Network Party	Yes	SSEN believes that effort made a simplifying the SEC should be supported. Together with SECMP0050 and SECMP0051, innovation will be stifled is these are not allowed to be adopted.

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N Power	Large Supplier	Neutral	Further work is required to address our concerns. We are supportive of making the refinement process easier and support the intent of introducing a 'pre modification/development stage' This feels like a common sense approach, however, we are cautious that the change board is expected to undergo a large proportion of the work that is carried out at the refinement stage,
Western Power Distribution	Network Party	Yes	We believe that this modification should be approved as it will encourage better engagement with the industry earlier on in the process and should help ensure that modifications move through the process smoothly without stalling.
Utilita Energy	Large Supplier	Yes	Overall, we believe this Modification will lead to needed improvements to the SEC Change Process, namely the opportunity for Modification Proposers to gain upfront industry feedback into potential issues and Proposals. We hope this will reduce the amount of Modifications going through the process which lack industry support whilst also reducing the number of Modifications being subject to refinement which requires the setting up of Working Groups which can be hard to resource and engage with over many months. We also believe this Modification will also help better end-to-end management of the SEC Change Process, due to giving the SEC Change Board a greater role in shaping Draft Proposals and agreeing DCC Impact Assessments. We do see further opportunity in making efficiencies in the process which we have raised during Working Group discussions, such as whether the Panel needs to be involved to such an extent i.e. in determining the route of Modifications (to report stage or refinement) and whether 'Standing Groups' could be introduced for Modifications refinement rather than the current approach taken to

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			Working Groups. We are however comfortable that SECMP0049 should help improve a number of issues we have with the current change process but we strongly suggest a post implementation review be undertaken to ensure the changes have resulted in improvements and have been implemented as intended. We would also like to state the importance of clear communication and advise from SECAS to SEC Parties to help support the implementation of this change from day one. For example, upon a Proposer raising a potential issue/ proposal, SECAS should make sure the benefits of taking the Draft Proposal through development rather than straight to Panel for progressing under refinement are clear. We also believe strong chairing is required at the Change Board to ensure members give clear and useful direction/input into Draft Proposals to prevent the need for some Modifications to go through refinement, without this Modifications will just be subject to further delays in being implemented.

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Question 5

Q5: Do you believe that the draft legal text changes deliver the intention of the modification?			
Party Name	Party Category	Yes/No	Comments
Opus Energy Ltd	Small Supplier	Yes	
EDF Energy	Large Supplier	No	While we do agree the draft legal text changes largely deliver the intent of the modification we do have the following comments: D1.8 – We would suggest that this should read ‘ The Secretariat shall establish and from time to time maintain’ – it doesn’t really make sense to establish something ‘from time to time’. D1.9 – it is not clear why some of the subsections in this section are proposed to be removed as they would still seem to be relevant, for example ‘ the agendas and minutes for Working Group meetings’ D2A – There is a serious misalignment between the DMR and the legal text here as the DMR dos not refer to the Change Sub-Committee at all. The DMR indicates that the role that the Change Sub-Committee would undertake, as set out in the draft legal text, would be undertaken by the Change Board, an existing SEC Panel Sub-Committee. It is not clear from the DMR why this separate new Sub-Committee would be required, and how introducing a new

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			Sub-Committee would improve the efficiency and cost-effectiveness of the change process. The role and membership of the new Change Sub-Committee would need to be more fully explained before this modification could be approved. D6.15 – we do not believe the phrase 'and may direct changes to this variation at any time' is very clear in regards to what exactly it allows the Proposer to do, specifically it is not clear why this refers to a 'variation'.
SSEN	Network Power	Yes	
N Power	Large Supplier	Yes	
Western Power Distribution	Network Party	Yes	
Utilita Energy	Large Supplier	Yes	Yes, we are largely supportive of the legal text provided however we want to make sure that Draft Proposals are easy to raise and don't require lots of information as required currently when raising a Modification, seeing as there is only one route for raising a Modification via this form. In other codes issue forms are usually a page or two in length max and include direct questions to draw out issues and if a solution has been considered to start discussion by industry, we want this approach to be followed under the SEC otherwise this will deter Proposers from using the development stage.

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Question 6

Q6: Do you agree with the recommended implementation date?			
Party Name	Party Category	Yes/No	Comments
Opus Energy Ltd	Small Supplier	Yes	
EDF Energy	Large Supplier	Yes	We agree with the recommended implementation date.
E.ON	Large Supplier	Neutral	If the solution is amended to align with existing Industry processes under other Codes (supporting Ofgem's vision for the future of the market) then we believe the implementation date is appropriate.
SSEN	Network Party	Yes	
N Power	Large Supplier	Yes	
Western Power Distribution	Network Party	Yes	
Utilita Energy	Large Supplier	Yes	We believe this Modification should be implemented as soon as possible and we are comfortable with the November release window.

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Question 7

Q7: Do you have any further comments on SECMP0049?

Party Name	Party Category	Yes/No	Comments
Opus Energy Ltd	Small Supplier	Yes	SECAS may also wish to consider use of Solution Pre-Assessment Forms (SPFs) or Issues Forms (MIFs) as used by MRASCo to raise a requirement for consideration prior to raising a formal Change Proposal. Use of SPFs and MIFs can, following expert debate, enable Change Proposals to be developed efficiently and with implementation dates realised more swiftly than had the pre-assessment stage not taken place.
EDF Energy	Large Supplier	No	We have no further comments.
E.ON	Large Supplier	Yes	As noted above we believe that there are alternative solutions that ought to be considered, namely we believe that a better solution for this Modification is that proposed by Utilita Energy in the strawman consultation response, with a few alterations: Unless 'Urgent' all changes are to be Draft Proposals (DPs) sent to a standing-monthly 'Issue Group'; The 'Issue Group' is structured as with other Industry groups requiring the proposer to be present; The 'Issue Group' is scheduled to avoid conflict with existing standing-monthly Industry meetings, and ahead of Panel (e.g. 1st Wednesday/Thursday of the month);

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			The 'Issue Group' clarify scope and intent of Mod, prerequisites for solution development etcetera; The 'Issue Group' can request additional information from the Proposer and Industry if necessary, and the DCC where no additional cost is incurred; The 'Issue Group' can align Modifications/Draft Proposals for concurrent progression; The 'Issue Group' agree the DP is ready for submission to Panel to determine whether the DP should enter the 'formal' Modification Process; The Panel determine whether to send-back the DP or whether to progress the DP through the formal Modification Process: Refinement or Report; Where the DP as a Modification enters Refinement, the Working Group (WG) shall send the Modification to the Panel to determine whether or not it is appropriate to request a DCC Assessment when the WG believe it is*****; Panel may send-back Modifications to the WG if it believes a DCC Assessment is not appropriate at that time (i.e. further development is required). All other parts of the Change Process remain as is, including the right of the Proposer in relation to any suggestions from the 'Issue Group' or the Panel. For clarity, we do not support amendments to legal text post-consultation by any group with an additional consultation outside of current process. If legal text amendments are required we believe this is due to a failing within the Change Process and thus a solution for this should not be permitted in Code. Instead, we believe that where legal text amendments are required following a

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			Modification Report Consultation, the Modification Report Consultation should be reissued with the amended legal text within the current process timescales. We are not comfortable that Industry should be permitted less time than they are currently because the Legal text was not reflective of a Modification prior to consultation. *It is our belief that introducing an additional step for the Change Board to vote on this unofficially is inefficient.  SECMP0049_WGC.pptx We believe this solution would avoid unnecessary overengineering of the solution whilst minimising the risk of introducing additional inefficiency. In our view, this solution provides all of the benefits of the proposed solution and has the additional following benefits: Change Board are not overburdened, nor will there be the potential for confusion with regard to their voting arrangements (formal, informal, SECMP0041 or not etc.) or constituency representation; Utilises existing processes such that it aligns with other Industry processes under other Codes; Minimal amendment to Legal text is required;

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			Modification alignment being agreed by Industry will alleviate the current difficulties Suppliers face in securing appropriate representation at WGs, and The 'Issue Group' meeting ahead of the Panel will not only minimise the chance of lack of attendance due to conflict with established meetings, but will maximise efficiency in the amended process such that Panel input can be secured days rather than weeks (as with current Change Board proposals) after the requirement for their input is identified.
SSEN	Network Party	Yes	It is important to understand that some information can be of a confidential nature specifically when asking further information (RFI) in support of cost-benefits stage.
N Power	Large Supplier	No	
Western Power Distribution	Network Party	No	
Utilita Energy	Large Supplier	No	

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