Smart Energy Code

SEC
Smart Energy Code

This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

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

SECMP0050: Section D Review: Moving the Working Group Terms of Reference to a separate document

About this document

This document contains the collated responses to the SECMP0050 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 Harry Jones on 020 7081 3345 or email SEC.Change@gemserv.com.

© SECCo 2018

Gemserv

Administered by Gemserv, 8 Fenchurch Place, London EC3M 4AJ

This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

Question 1

Q1: Do you agree that the proposed solution better facilitates the SEC Objectives?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Yes	We agree that SECMP0050 better facilitates General SEC Objective (g) and should be approved. This change will enable a more flexible approach to establishing and managing working groups and enable modifications to be progressed more quickly. This change should not, however, be used merely to avoid subjecting a modification to the appropriate scrutiny where there is limited interest from industry in participating in a working group. One would hope that complex changes, or changes that affect multiple parties, would not have problems attracting members. If this is the case then the SEC Panel should consider other approaches to ensure appropriate participation, otherwise there is a risk that time is wasted on changes that are not properly thought through before they are sent to the Change Board and most likely rejected or sent back. This wastes both time and money.
Opus Energy & Haven Power	Small Supplier	Yes	Yes. SECMP0050 better facilitates SEC objective (g) 'facilitate the efficient and transparent administration and implementation of this Code'.
E.ON Energy Solutions	Large Supplier	No	The driver and intent of this Modification are distinct in so far as the driver has been given as the Code Administrator struggling to convene Working Groups, whereas the intent is given as permitting flexibility within the Terms of Reference

© SECCo 2018

			(ToR) for Working Groups such that Panel may make amendments should a requirement to do so become evident. The driver and the intent can therefore only align where it is perceived that the reasons provided by the Code Administrator for their struggle to convene a Working Group embody the changes the Panel make to the ToR for a Working Group. Herein it would appear that the driver of this change would therefore only be met by the intent of this Modification if the quoracy arrangements of Working Groups were to be amended by Panel. This has not only been discounted by the Working Group who recognise that the integrity of the Change Process must be reserved such that each Party is permitted a voice in shaping Industry change (opposed to only those with the resource available to meet the current scheduling processes of the Code Administrator when convening Working Groups), but as given in our Strawman consultation response, does not actually address the driver of this change. We concur with EDF on the point raised that it would be useful to understand what if any barriers currently exist that are preventing more people from participating in Working Groups in order to address the driver of this change. It is our belief that were quoracy arrangements to be amended a needless increase in inefficiency through increased send-backs and rejections at Change Board would result. Consequently, we believe that this Modification does not address the difficulties in convening Working Groups and does not introduce efficiencies within the change process. We further believe that this will become evident when the Working Group are drafting the Working Group Terms of Reference (WGToR) document for Panel approval. That is to say, we do not foresee the Working Group making any amendments to the existing ToR as contained with Sections D6.3-D6.7 of the SEC, that can result in efficiencies within the Change Process.

© SECCo 2018

			Accordingly we do not believe that this Modification better facilitates SEC objective g.
SSE	Large Supplier	Yes	
SSEN	Electricity Operator	Yes	
Npower	Large Supplier	Yes	Npower feel that the SEC working group Terms of Reference should mirror what happens in other codes and consistency should be applied where possible. We support a “Panel-owned document” that gives specific direction to the Working Group on what they need to consider when looking at modifications, therefore, we believe this modification would better facilitate SEC objective G, the efficient and transparent administration and implementation of this code.
Western Power Distribution	Network Operator	Yes	We believe that this modification better facilitates SEC Objective (g) because it will help with the efficient administration of the code by allowing greater flexibility for Working Group ToR to be updated as and when required for specific modifications.
Utilita	Large Supplier	Yes	Yes, we support the Working Group view that this Modification supports the SEC objectives and should be approved. We believe this Modification will introduce flexibility and efficiencies within the Working Group /refinement process.

© SECCo 2018

Question 2

Q2: Will your organisation be impacted due the implementation of this modification?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	There should be no direct impact on EDF Energy as a result of the implementation of this modification.
Opus Energy & Haven Power	Small Supplier	No	
E.ON Energy Solutions	Large Supplier	Yes	All SEC Parties will potentially be impacted by this Modification: positively if well-formed Modifications result from Working Groups with amended ToR, but negatively if Modifications are to be consulted upon that are not well-formed as a result of such changes. There is the potential for further (currently undefined) impacts depending upon the actual changes made to the WGToR.
SSE	Large Supplier	No	
SSEN	Network Operator	No	
Npower	Large Supplier	Yes	
Western Power Distribution	Network Operator	No	

© SECCo 2018

Utilita	Large Supplier	No	We do not believe we will be impacted directly by the Modification.

© SECCo 2018

Question 3

Q3: Will your organisation incur any costs due to the implementation of this modification?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	We do not anticipate that we will incur any costs as a result of the implementation of this modification.
Opus Energy & Haven Power	Small Supplier	No	
E.ON Energy Solutions	Large Supplier	Yes	Our proportion of the implementation costs
SSE	Large Supplier	No	
SSEN	Network Operator	No	
Npower	Large Supplier	No	
Western Power Distribution	Network Operator	No	
Utilita	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.

© SECCo 2018

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 SECMP00XX should be approved?

Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Yes	Subject to the concerns we have noted in the response to Question 1 being addressed in the new Working Group Terms of Reference, we agree that SECMP0050 should be approved.
Opus Energy & Haven Power	Small Supplier	Yes	The proposed change will allow the terms of the Working Groups to be varied to cater for specific circumstances that arise.
E.ON Energy Solutions	Large Supplier	No	As given in our response to question one we do not believe that the current solution for this Modification better facilitates efficiency within the Change Process. As given in our response to question nine we believe that alternative solutions are available that yield greater efficiency than the proposed solution.
SSE	Large Supplier	Yes	We agree that SECMP0050 should be approved, as moving the WG Terms of Reference out of the SEC and into a Panel owned document will provide greater flexibility.
SSEN	Network Operator	Yes	Anything to improve the efficiency of this white elephant is welcome.
Npower	Large Supplier	Yes	

© SECCo 2018

Western Power Distribution	Network Operator	Yes	We believe that this modification should be implemented as it will aid a flexible, more efficient way of amending the ToR for specific Working Groups, for example when the Panel believe that there should be a greater number of Working Group members, or if they require Working Group members from specific areas or categories.
Utilita	Large Supplier	Yes	We see no issues with this Modification and believe it will enable greater efficiencies in the administration of the SEC. We would have however of liked to have had an example of a draft Working Group ToR, so would encourage this be made available ahead of Change Board vote for visibility.

© SECCo 2018

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
EDF Energy	Large Supplier	Yes	We have not identified any issues with the legal text; however we note that the legal text does not explicitly refer to the mechanism by which Parties may propose changes to the terms of reference. While it might be suitable to set this out in the legal text itself, the mechanism for proposing such a change should be made clear to SEC Parties.
Opus Energy & Haven Power	Small Supplier	Yes	
E.ON Energy Solutions	Large Supplier	Yes	We believe that the legal text reflects the removal of the ToR for a Working Group and permits Panel to establish and maintain a WGToR by which Working Groups will operate, with relevant Industry consultation.
SSE	Large Supplier	Yes	We believe the changes to the legal text for D6.2 and the removal of D6.3 to D6.7 delivers the intention of this modification. We query the insertion of the change to D6.13, as we do not consider this to be an intention and we would still expect a Working Group to formally consult Parties.
SSEN	Network Operator	Yes	

© SECCo 2018

Npower	Large Supplier	Yes	
Western Power Distribution	Network Operator	Yes	Although we agree the draft legal text changes deliver the intent of this modification, we have additional comments raised in Q7.
Utilita	Large Supplier	Yes	We have no concerns on the proposed legal text, our only comment is on ensuring the new proposed wording in D6.2 doesn't become onerous and time consuming by the Panel having to consult with Parties if changes are made to a ToR. We believe Working Group members could be asked for feedback on a change to a ToR rather than this necessarily needing feedback from wider code Parties each time.

© SECCo 2018

Question 6

Q6: Do you agree with the recommended implementation date?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Yes	We agree with the recommended implementation date.
Opus Energy & Haven Power	Small Supplier	Yes	
E.ON Energy Solutions	Large Supplier	Yes	Should Industry approve this Modification the implementation date seems practical.
SSE	Large Supplier	Yes	
SSEN	Network Operator	Yes	
Npower	Large Supplier	Yes	
Western Power Distribution	Network Operator	Yes	
Utilita	Large Supplier	Yes	We believe this Modification should be implemented as soon as possible and are comfortable with the dates outlined.

© SECCo 2018

Question 7

Q7: Are the existing rules for how Working Groups are formed and operate fit for purpose?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Neutral	While the existing rules for how Working Groups are formed and operate should form the basis of the new Working Group Terms of Reference, taking the detail of this out of the SEC itself should allow for these Term of Reference to be set out in more detail and in more plain English than would usually be possible in legal text. This would make the Working Group Terms of Reference a more useful document which people are then able to engage with.
Opus Energy & Haven Power	Small Supplier	Neutral	
E.ON Energy Solutions	Large Supplier	Yes	We fully support the existing rules for Working Groups as an example of best practice for Industry change.
SSE	Large Supplier	Yes	We agree that the existing rules could be re-used in the ToR. In addition, we believe the quoracy arrangements should be incorporated and it should set out what the WG should be considering when looking at Modifications.
SSEN	Network Operator	No	A flexible approach is required otherwise this process will become hard to manage efficiently.

© SECCo 2018

Npower	Large Supplier	No	We are supportive of The terms of Reference being made more flexible for each modification/working group to allow for modifications to progress in an efficient manner
Western Power Distribution	Network Operator	Yes	We believe that the existing rules for Working Group formation and operation are fit for purpose and work well, however there is concern that the wording as it currently stands means that you could have a quorate Working Group with all members being from the same SEC Party. Although it is unlikely that this would be the case, we wonder if the legal text should be amended to include 'from different SEC Parties' or 'from different companies', or similar.
Utilita	Large Supplier	No	We believe the existing rules for how Working Groups are formed should include timescales for SECAS to get up and running a Working Group and for how subsequent Working Group meetings should be arranged. There are too many examples over recent years of Working Groups having long lead times between meetings (3-6+ months) which loses momentum of a Modification and can change the value in a Modification being implemented where Parties have had to find their own work arounds to issues.

© SECCo 2018

Question 8

Q8: Do you agree that Parties will still have the opportunity to propose changes to the terms of reference?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Yes	As noted in our response to Question 5, while Parties would still have the opportunity to propose changes to the terms of reference via their Panel representatives, this is not explicitly set out in the legal text. Further clarity on the exact mechanism for raising such changes will need to be confirmed before this Modification is approved,
Opus Energy & Haven Power	Small Supplier	Yes	
E.ON Energy Solutions	Large Supplier	Neutral	We do not believe that this is clear in the absence of a defined process. We would however note that whilst a Modification requires the scrutiny of Industry for approval, the current solution would require only the approval of the Panel, there may therefore exist a difference in the probability of a Party affecting a change to the ToR.
SSE	Large Supplier	Yes	We agree that there will be opportunity to feed into the process and to engage with Panel if Parties wish to propose changes.
SSEN	Network Operator	Yes	It still would need to be demonstrated that his could be achieve in practise.

© SECCo 2018

Npower	Large Supplier	Yes	The panel will need to make each ToR available either at Panel meetings so it can be reviewed and agreed at panel or prior to the 1st working group where they can be 'fine tuned' as necessary.
Western Power Distribution	Network Operator	Yes	SEC Parties will be able to write to the Panel to request changes to the ToR rather than raising a formal modification which will aid efficiency, and as the Panel need to consult on any changes to the ToR, Parties will have an opportunity to respond to the consultation.
Utilita	Large Supplier	Yes	Yes, we believe an important stage of setting a Woking Groups ToR is by enabling Working Group members to assess the ToR at the first Working Group meeting and provide any comments to Panel for agreement.

© SECCo 2018

Question 9

Q9: Do you have any further comments on SECMP0050?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	No further comments.
Opus Energy & Haven Power	Small Supplier	No	No
E.ON Energy Solutions	Large Supplier	Yes	We feel it necessary to clarify that we have no objection to the Panel being able to direct variations to the ToR of a Working Group, should a requirement to do so present itself. This however can be achieved by a simple addition to the current legal text of SEC Section D. Furthermore, we believe that simply utilising the Issue Process within the SEC with a standing- monthly meeting scheduled such that it does not conflict with existing standing- monthly Industry meetings (see Ofgem's guidance for Principle five of CACoP), would enable more efficiency within the Change Process whilst retaining the integrity, knowledge diversity, collaboration and transparency required for successful Industry Change. The efficiency we expect to see from employing the Issue Process is a reduced Refinement Period, this is because the solution and legal text of a modification should be more informed, balanced and suitable for Industry following a process akin to the MRA's Issue Resolution Expert Group (IREG), as is evidenced by that process. We additionally expect that Working Group attendance will improve following use of the Issue Process where Working Groups are not

© SECCo 2018

			scheduled to conflict with existing standing-monthly Industry meetings. For some Modifications it may no longer even be necessary to undergo the Refinement Process following the Issue Process. Moreover, using the Issue Process would avoid the requirement for further consultations (WGToR Panel consultations), thus maximising the attainment of potential efficiencies. We note that Utilita Energy and Utility Warehouse also proposed alternative solutions that may warrant further consideration.
SSE	Large Supplier	No	No further comments.
SSEN	Network Operator	No	No
Npower	Large Supplier	No	
Western Power Distribution	Network Operator	Yes	Western Power believe that because the Panel will have to consult on the ToR, it would be more efficient and beneficial to the Panel for a draft ToR to be issued with the FMR. Either the Working Group could draft the ToR and put to the Panel with the FMR or the Panel could draft the ToR to issue with the FMR, saving the delay of having to issue a second consultation just for the drafting of the ToR.
Utilita	Large Supplier	No	

© SECCo 2018