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Action:	**For Decision**

Legal Text for an enduring SEC Release Management Process

1. Purpose

At the July 2018 Panel meeting the Panel considered what the enduring SEC Release Management Process should encompass. It agreed that relevant principles and powers should be introduced into the SEC. This paper provides a set of draft legal text to deliver these intentions and lays out the next steps for progressing these changes.

2. Panel's responsibilities with SEC Releases

At the July 2018 Panel meeting, the Panel considered the responsibilities that it should take on with regards to overseeing the delivery of SEC Releases (defined as the implementation of a package of one or more Modification Proposals).[1] The Panel agreed that the responsibilities identified in this paper should be included in its duties, subject to consideration as part of a Modification Proposal.

We have developed draft changes to the SEC that would deliver the responsibilities outlined in this paper, and these can be found in Attachment A. We have prepared these changes against the version of SEC Section D that will be implemented as part of Release 2.0.

2.1 Structure of requirements

The SEC will contain the core powers and obligations with regards to SEC Releases and will establish the following three documents:

- The Panel will own and maintain the 'SEC Release Management Policy' document (a new name for the existing Panel Release Management Policy), which will contain details of how the Panel intends to discharge its obligations with regards to SEC Releases.
- Each release will have a 'SEC Release Implementation Document' overseen by the Panel that contains the approach and information relevant to that release (including as a minimum the release content, timescales, testing approach and go-live criteria).
- DCC shall produce a 'SEC Release Testing Approach Document' for each release that impacts DCC Systems, which will contain its testing objectives and strategy for that release. DCC will own this document, although the Panel will review it.

[1] The full set of responsibilities that the Panel was invited to consider can be found in Panel paper SECP_58_1307_05.

This arrangement will provide greater flexibility to update the underlying process in the future, while ensuring the key obligations are contained within the SEC.

2.2 Requirements coverage

This section lists each of the areas of responsibilities that the Panel considered it should include in its duties, and how we believe these should be captured in the SEC. In all cases, the processes underpinning a core provision in the SEC would be detailed within the SEC Release Management Policy.

- **Release Management Policy:** Section D10.7 establishes the policy, with Section D10.8 listing the areas it is required to cover (this list is intended to be the minimum content requirements, and the Panel can include further areas as it sees fit).
- **Release formulation and requirements:** Section D10.7 will require Modification Proposals to be included in SEC Releases. The SEC Release Management Policy will detail how this allocation is made and how the Panel will oversee the scope of a SEC Release.
- **Design and implementation strategy:** Sections D10.18-D10.20 will require DCC to document its testing and implementation strategy for a release, including requirements for DCC to consult the industry and for Panel to review the document (though DCC will own and approve the document). The Panel may delegate this review to a Sub-Committee if it so wishes.
- **Cost/benefits review and challenge:** Section D10.8(d) will require the SEC Release Management Policy to define how the Panel will review the costs of a release.
- **Implementation planning:** The Panel currently approves the implementation approach for Modification Proposals, which forms the contents of each release. A process for monitoring the scope of each release can be documented in the SEC Release Management Policy. The Panel will be able to review DCC's testing and implementation approach under Section D10.20.
- **Implementation monitoring (schedule):** Section D10.13(b) will require each SEC Release Implementation Document to define the timescales associated for the release, which the Panel can then request reports against. Section D10.13(c) will require that each SEC Release Implementation Document defines how DCC will report progress towards readiness.
- **Implementation monitoring (quality):** The approach to monitoring the quality of formal documents produced as deliverables can be documented in the SEC Release Management Policy.
- **Implementation monitoring (costs):** Section D10.8(d) will require the SEC Release Management Policy to define how the Panel will review the costs of a release.
- **Implementation assurance:** Sections D10.18-D10.20 requires DCC to document its testing approach for each SEC Release. D10.11 will allow the Panel to appoint an external auditor to monitor DCC's implementation process, plans and progress.
- **Change management:** The SEC Panel approves an implementation approach for a Modification Proposal when it submits the Modification Report for Modification Report Consultation. Provisions for change management are already included in the Release Management Policy; it would be recommended that these remain in this document.

- **Management of release:** Section D10.13(c) will require that each SEC Release Implementation Document defines how DCC will report progress towards readiness. Further reporting can be defined by the Panel for each release in the SEC Release Implementation Document, and the Panel can define a general approach to be followed in the SEC Release Management Policy.
- **Go-live decision making:** Section D10.8(e) will require the Panel to define its approach to making a go-live decision in the SEC Release Management Policy.
- **Post go-live monitoring and review:** Any approach for this should be documented in the SEC Release Management Policy.

3. Next steps

At the July 2018 Panel meeting, the Panel endorsed the proposal that it should raise a Modification Proposal to implement these changes to the SEC.

The Panel will only be able to raise this modification if the requirements of Section D1.3(e)(i) are met. For this to be the case, the Authority (Ofgem in this scenario) will need to make a written request to the Panel to review a specific area of the Code to ensure it continues to meet the SEC Objectives. The Panel would then need to publish a report on the outcomes of this review. It would then be able to raise a Modification Proposal that would give effect to any recommendations in this report. In addition, any modification raised by the Panel in this way would, in accordance with Section D3.9(a), be required to undergo the Refinement Process.

An alternative approach would be for an individual Panel Member to agree to be the Proposer of this modification, in which case the above provisions would not apply.

The legal text attached to this paper would form the basis of this Modification Proposal, although amendments could be made as required during any Working Group assessment carried out under the Modification Process.

We believe it would be most efficient to review and update the Release Management Policy in line with the Modification Proposal's progression. This will allow the policy to fully reflect the obligations being inserted into the SEC, should any changes be agreed. If the Modification Proposal is approved, the Panel can then approve any corresponding updates to the policy to bring these into line simultaneously.

4. Recommendations

The Panel is requested to:

- **PROVIDE** views and comments on the draft legal text; and
- **AGREE** that the Panel raises a Modification Proposal to progress these changes.

David Kemp

SECAS Team

3rd August 2018