Smart Energy Code

SEC
Smart Energy Code

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Stage 03: Modification Report Consultation

What stage is this document in the process?

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

SECMP0041:

Amending the Change Board decision making rules for Modification Proposals

Summary

This Modification seeks to introduce a mechanism for SEC Parties to vote on the outcome of Modification Proposals. It also looks to limit the decision-making activates of the Change Board and ensure it is only used where the industry cannot come to a majority decision.

Working Group View

- The majority view of the Working Group is that SECMP0041 should be approved.

Impacts

- All SEC Parties
- Smart Energy Code Administrator and Secretariat (SECAS)
- Change Board
- There are no impacts on Data Communications Company (DCC) Central Systems or Party interfacing systems

Response Deadline

- This Consultation closes at **5pm** on **Wednesday 5th September 2018**.

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About this Document

This is the Modification Report Consultation (MRC) for SECMP0041. This document provides a high-level summary of the issue, solution, impacts and costs, implementation date, Working Group views and Panel views on the Modification Proposal;

This document has six attachments:

- **Attachment A** contains the Final Modification Report (FMR) which provides a detailed explanation of the issue, solutions, impacts, costs, implementation as well as the full Working Group and Panel discussions and conclusions;
- **Attachment B** contains the draft legal text changes to SEC Section A to support this modification;
- **Attachment C** contains the draft legal text changes to SEC Section D to support this modification;
- **Attachment D** contains the solution diagrams;
- **Attachment E** contains the full responses received to the Working Group Consultation; and
- **Attachment F** contains the MRC response form.

As part of this consultation SEC Parties will be asked to provide their views on SECMP0041. The information provided will help us to better understand the benefits and drawbacks of the modification and assist the Change Board and the Authority in their determinations.

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Summary of SECMP0041

What is the issue?

The Proposer suggests that within the SEC governance framework, there is a disconnect between the views of SEC Parties on Modification Proposals (and the potential new obligations and costs imposed) and the votes of Change Board members. The current arrangements only allow SEC Parties to express a view on whether a Modification Proposal should be approved or rejected. Further, SEC Change Board Members are not bound by their SEC Party constituents' responses and can therefore vote in a different way to the views expressed in the MRC.

What is the solution?

This modification seeks to introduce a mechanism for SEC Parties to vote on the outcome of Modification Proposals. It also looks to limit the decision-making activates of the Change Board and ensure it is only used where the industry cannot come to a majority decision.

Impacts

Party

Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties	X	Gas Network Parties	X
Other SEC Parties	X		

System

There are no impacts on DCC Central Systems or Party interfacing systems.

Implementation Costs

The total estimated implementation cost to deliver SECMP0041 is approximately **£3,000** in SEC Administration effort.

Implementation Date

The Panel has agreed an implementation date of:

- **1st November 2018**, if a decision to approve is made on or before 18th October 2018; or

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- **28th February 2019**, if a decision to approved is made after 18th October 2018 but on or before 14th January 2019.

Working Group's views

The Working Group believes **by majority** that SECMP0041 will better facilitate the SEC Objectives and therefore believes that this Modification Proposal should be **approved**.

Panel's views

The Panel **unanimously** agree that due process has been followed and that SECMP0041 should progress to Modification Report Consultation.

The Panel also agreed that SECMP0041 is a Path 2: Authority Determined Modification Proposal and that the draft legal text changes to the SEC deliver the intention of the modification.

Where can you find further information?

A full description of the issue, solution(s), impacts, costs, implementation date and the Working Groups views on the merits of SECMP0041 can be found in the FMR (Attachment A).

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