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SECMP0061 Initial Modification Report

About this document

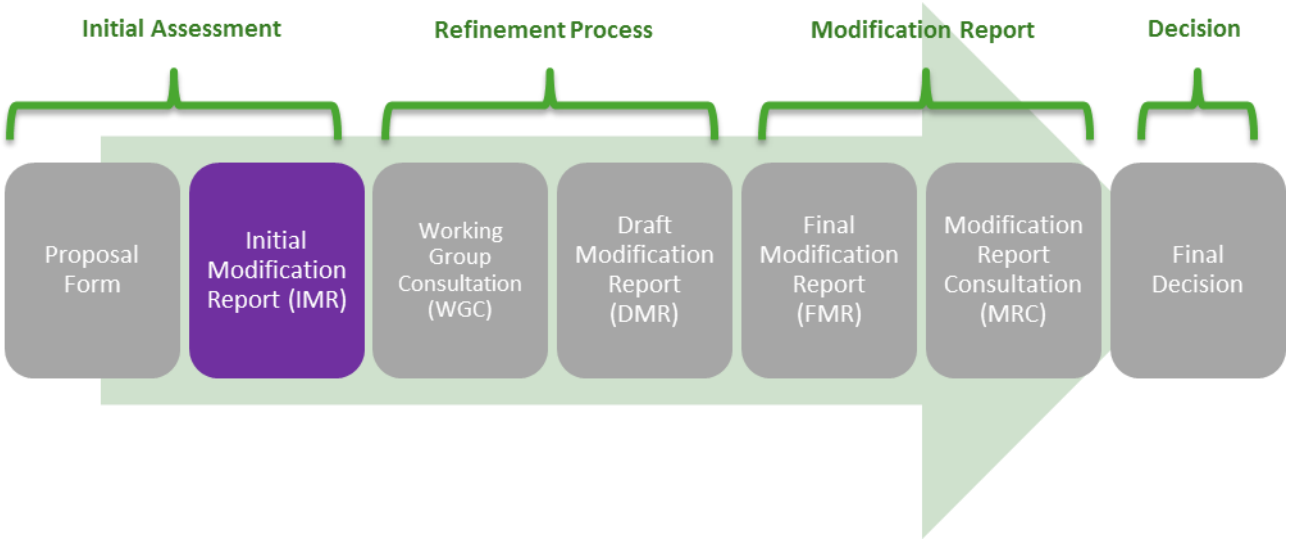
This Initial Modification Report (IMR) contains our initial assessment of SECMP0061 'Enduring SEC Release Provisions'. It also provides information on the issue, the Proposer's solution, potential impacts, costs and proposed progression.

This document is submitted to the Smart Energy Code (SEC) Panel for consideration to determine how this Modification Proposal should be progressed through the Modification Process.

As part of this document the Panel will be invited to:

- **AGREE** that this modification should be submitted to Modification Report Consultation;
- **AGREE** the progression timetable set out in Section 6; and
- **AGREE** that SECMP0061 should be progressed as a Path 2 Modification Proposal.

Where are we in the process?



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Smart Energy Code

SEC
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Stage 01: Initial Modification Report

SECMP0061:

Enduring SEC Release Provisions

What stage is this document in the process?

01	Initial Assessment
02	Refinement Process
03	Modification Report
► 04	Decision

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Summary

This Modification seeks to make changes to the SEC to clarify the powers and obligations of the SEC Panel to oversee SEC Releases on an enduring basis.

Proposed Progression

This Modification Proposal is recommended to be:

P2

- progressed as a Path 2: Authority Determined Modification Proposal; and
- submitted for Modification Report Consultation (MRC).

Potential Impacts

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- SEC Panel
- There are no impacts on SEC Parties identified.
- There are no impacts on Data Communications Company (DCC) Central Systems or Party interfacing systems

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About this Document

This is an Initial Modification Report (IMR). This document contains details of the issue, solution, potential impacts and costs as well as the proposed progression for SECMP0061.

This document has two attachments:

- **Appendix A** contains the SECMP0061 Modification Proposal Form; and
- **Appendix B** contains the draft legal text changes to support this modification;

The Panel will consider this IMR at its meeting on 14th September 2018 and determine how this modification should be progressed through the Modification Process.

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1. Summary

What is the issue?

To date, BEIS has overseen the development activities being carried out by the DCC in relation to the Smart Metering Implementation Programme (SMIP). This has included agreeing the technical content of Releases, defect fixes, and the Release Implementation Approach, as well as monitoring the progress of Releases.

BEIS is transitioning out of these activities, with the expectation being that a subset of these will be transferred to the SEC Panel to oversee SEC Releases on an enduring basis. However, the SEC does not currently include the full set of obligations and powers regarding oversight of Release Management for SEC Releases that have been identified by the SEC Panel.

What is the Proposed Solution?

This modification proposes to amend SEC Section D 'Modification Process' to confer the SEC Panel with the powers and obligations to oversee SEC Releases.

Potential impacts

Party

There are no anticipated Party Impacts.

System

There are no anticipated System Impacts.

Potential implementation costs

The estimated cost to implement SECMP0061 is approximately £1,200 and is limited to SEC administration time and effort to deliver the necessary SEC changes.

Proposed progression

We propose that SECMP0061 is progressed directly to the MRC and is progressed as a Path 2 'Authority Determined' Modification Proposal.

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2. What is the issue?

Background

Any approved SEC Modification Proposal is expected to be implemented as part of a scheduled SEC Release. The Panel Release Management Policy, last updated in February 2018, lays out the Panel's intended approach to implementing SEC Releases, including their schedule and the key steps to follow. To date, the only modifications to be implemented have been document-only changes (no impact on DCC Systems).

BEIS currently oversees the development activities being carried out by the DCC in relation to the SMIP. This has included agreeing the technical content of Releases, including defect fixes, and the Release Implementation Approach, and monitoring the progress of Releases.

BEIS is transitioning out of these activities, with the expectation being that a subset of these will be transferred to the SEC Panel, in order for it to oversee SEC Releases on an enduring basis. However, following a review of SEC Section D, it has been concluded that the SEC does not include the full set of obligations and powers regarding oversight of Release Management for SEC Releases by the SEC Panel.

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, which is defined as the implementation of a package of one or more Modification Proposals (see Panel paper SECP_58_1307_05 for full details). The Panel agreed that the responsibilities it would take on from BEIS should be included in its duties. At its August 2018 meeting the Panel considered the changes to the SEC that will be required to fully enable these responsibilities to be included in its duties (see Panel paper SECP_59_1008_16); all of which have been outlined in the legal text for this modification.

What is the issue?

The process of BEIS transitioning out of the Release Management activities means that changes need to be made to the SEC for the SEC Panel to properly perform its duties. The Panel does not believe that the current provisions in the SEC encompass the full set of responsibilities that it will need to take on, and so changes are needed to clarify the arrangements going forward.

The Panel agreed the changes that are required to the SEC and considered that the most efficient way to implement these changes is for a Party to raise a Modification Proposal. This modification has been raised following this view from the Panel.

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3. Solution

Proposed solution

SECMP0061 'Enduring SEC Release Provisions' was raised by Scottish Power on 5th September 2018. It proposes to amend SEC Section D10 'Implementation' to cover the core powers and obligations with regards to the Panel's oversight of SEC Releases, as discussed by the Panel.

The underlying details of how the Panel will discharge these duties will be contained within the SEC Release Management Policy. This policy will be a renamed version of the current Panel Release Management Policy and will remain a document owned and maintained by the Panel, with any changes to it needing to be consulted upon first.

This arrangement will provide greater flexibility to update the underlying process in the future in response to feedback and lessons learnt, while ensuring the key obligations are contained within the SEC and so would need a modification to change.

To be clear, these changes only relate to the oversight of SEC Releases, which is defined as the implementation of a package of one or more SEC Modification Proposals.

Legal text changes

The proposed legal text changes to SEC Sections A and D are provided in Attachment B.

Views against the General SEC Objectives

The Proposer believes that this Modification Proposal better facilitates General SEC **Objective (g)**[1] as adding the core powers and obligations regarding the Panel's oversight of SEC Releases into SEC Section D would ensure that the governance arrangements for releases are clear, facilitating transparency. By including the core powers in the SEC and providing the detail of how these will be discharged in a Panel-owned document, this will make it easier to amend the underlying processes in response to any feedback, while ensuring the core obligations are enshrined in the SEC. This will facilitate the efficient administration of the process.

For the avoidance of doubt, the Proposer believes that this modification is neutral against all other SEC Objectives.

[1] (g) to facilitate the efficient and transparent administration and implementation of this Code

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4. Potential Impacts

The following section sets out the initial assessment of likely impacts and costs should SECMP0061 be approved and implemented.

SEC Party impacts

There are no impacts on SEC Parties anticipated in implementing this modification, although this modification will impose additional obligations on the DCC.

SEC Panel impacts

This modification will impact the SEC Panel as it will extend their powers and give them additional responsibilities with regards to Releases.

Central System impacts

There are no central system impacts anticipated and no testing will be required.

SEC and Subsidiary Document impacts

Changes will be required to SEC Sections A 'Definitions and Interpretations' and D 'Modification Process'.

Impacts on other industry codes

There are no impacts to other industry codes.

Greenhouse Gas Emission impacts

There are no Greenhouse Gas Emission impacts.

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5. Potential Costs

Potential implementation costs

The costs to implement SECMP0061 will be limited to Code Administration time and effort for:

- Making the necessary amendments to the SEC;
- Releasing a new version of the SEC to SEC Parties; and
- Publishing the updated SEC on the SEC website.

SECAS implementation costs		
Implementation activities	Effort	Cost
Application of approved changes to the SEC. Publication of new version of the SEC on the SEC Website and issuing this to SEC Parties. Review and update any impacted SEC guidance materials.	Two Man Days maximum	£1,200[2]

[2] Based on a blended rate of £600 per day.

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6. Proposed Progression

Modification Path

We and the Proposer recommend that SECMP0061 be progressed as a Path 2: Authority Determined Modification Proposal. This change would have a material impact on the arrangements in SEC Section D, meeting the criteria in Section D2.6(d) to require Authority determination.

Proposed progression

We believe this modification should be progressed directly to the MRC. This modification is intended only to introduce the core powers and obligations for overseeing SEC Releases into the SEC. These are intended to replicate the existing provisions that BEIS has used for overseeing past releases. As such, we do not believe there is any further benefit that discussions by a Working Group could add to this solution.

We therefore recommend the following progression timetable for Panel consideration.

Progression Timetable	
Progression Event	**Date**
Modification raised	31 Aug 18
IMR presented to SEC Panel	14 Sep 18
Modification Report Consultation	20 Sep 18 – 11 Oct 18
Change Board vote	24 Oct 18

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7. Implementation

Recommended implementation date

We recommend an implementation date of:

- **31st January 2019**, if a decision to approve is made by 17th January 2019, giving a 10 Working Day decision lead time.

A fall-back implementation date of the June 2019 Release has been recommended in case a decision cannot be made by 30th January 2019. This will allow the Panel to develop the changes to the policy and consult upon them to go live at the same time.

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8. Recommendations

The Panel is invited to:

- **AGREE** that this modification should be submitted to MRC;
- **AGREE** the progression timetable set out in Section 6; and
- **AGREE** that SECMP0061 should be progressed as a Path 2 Modification Proposal.

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Appendix 1: Glossary

The table below provides definitions of the terms used in this document.

Acronym	Defined Term
DCC	Data Communications Company
IMR	Initial Modification Report
SEC	Smart Energy Code
SMIP	Smart Metering Implementation Programme