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What stage is this document in the process?

01	Initial Assessment
02	Refinement Process
03	Modification Report
04	Decision

SECMP0041:

Amending the Change Board decision making rules for Modification Proposals

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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.

Change Board Recommendation



- The Change Board believes that SECMP0041 does not better facilitate the SEC Objectives. The Change Board has therefore recommended to the Authority that this Modification Proposal should be **rejected**

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About this Document

This is the Modification Decision document for SECMP0041. This document provides a summary of the Change Board discussions and conclusions as well as its recommendation to the Authority on SECMP0041.

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1. Change Board discussions

The view of the Change Board is that SECMP0041 does not better facilitate General SEC Objective (g) and should be **rejected**.

Change Board discussions

The Change Board reflected the discussions held in the Working Group and comments provided in the industry responses to the Modification Report Consultation. Many members commented that they did not believe a problem with the current modification process had been demonstrated that needed to be resolved; some members were not sure what the issue was. It was also felt that this modification will increase costs, administrative burden and timescales surrounding the modification procedure.

Members also raised a concern that, should only a single Party vote from a Party Category, that organisation could have a disproportionately large say on the direction the SEC takes. One member also commented on the ability of the Change Board to act in a rigorous, impartial manner, which they felt was a core premises that should be preserved.

Views against the General SEC Objectives

Objective (g)¹

The majority of Change Board members believe that this modification does not better facilitate Objective (g). These members believe that the steps to the process being added would create inefficiencies and add complexity to the process. One member highlighted that if a modification had undergone the Refinement Process then an industry vote would represent (at least) a third industry consultation on the change, which they felt would place more burden on Parties and result in less engagement. Other members commented that this approach could also reduce transparency, as it may not always be clear why Parties had voted the way they had, if rationale had not been provided.

One member disagreed, believing SECMP0041 would better facilitate Objective (g). They felt the current system was unfair, and that the Change Board had rejected modifications in the past that Parties had wanted approved. They noted that, while each Large Supplier had a seat on the Change Board, the other categories have representatives who could vote differently to what members of their constituency wanted.

¹ Facilitate the efficient and transparent administration and implementation of this Code.



Objectives (a)² and (d)³

One member believed SECMP0041 would be detrimental to SEC Objectives (a) and (d), as it could be possible for Parties to monopolise a vote on matters that have notable impacts on the SEC. The remaining members did not comment on these two objectives.

For the avoidance of doubt, the Change Board believe that SECMP0041 is neutral against the other Objectives.

² Facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

³ Facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.

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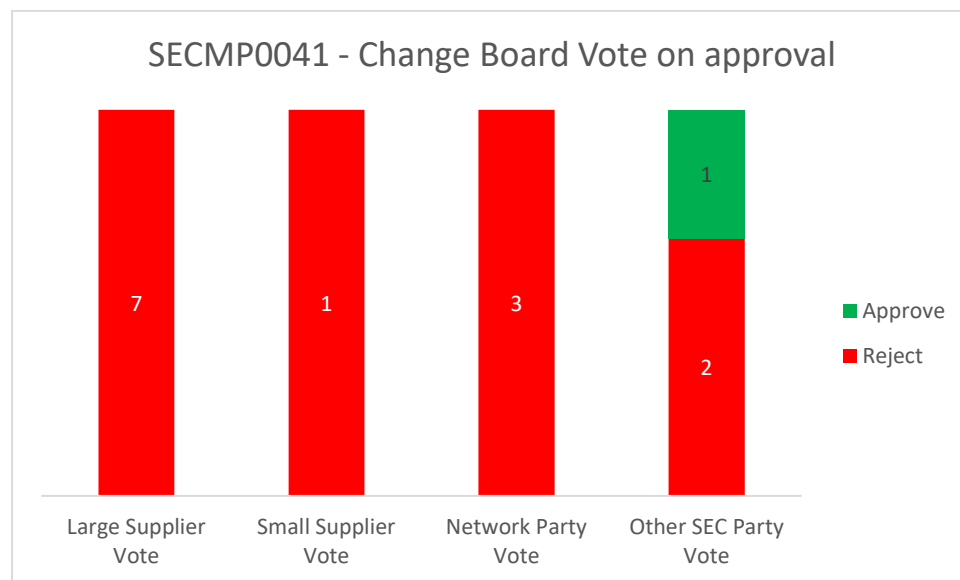
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2. Change Board vote

This section sets out the breakdown of the Change Board's vote.



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3. Change Board recommendation

The Change Board:

- **CONSIDERED** the Final Modification Report and Modification Report Consultation responses for SECMP0041;
- **RECOMMENDED** to the Authority that SECMP0041 should be **rejected**; and
- **PROVIDED** rationale as to why SECMP0041 **does not** better facilitate the General SEC Objectives.

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