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 04: Modification Report Consultation Responses

What stage is this document in the process?

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

SECMP0049 'Section D Review: Amendments to the Modification Process'

About this document

This document contains the collated responses to the SECMP0049 Modification Report Consultation (MRC). The Change Board will consider these responses when making its determination on this modification.

If you would like any further information, or to discuss any questions you may have, please do not hesitate to contact Nikki Olomo on 020 7081 3095 or email SEC.Change@gemserv.com.

© SECCo 2018

Gemserv

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

Smart Energy Code

SEC
Smart Energy Code

Content

Summary of Responses 3

Question 1 4

Question 2 6

Question 3 8

Question 4 11

Question 5 13

Question 6 18

Question 7 19

About this Document

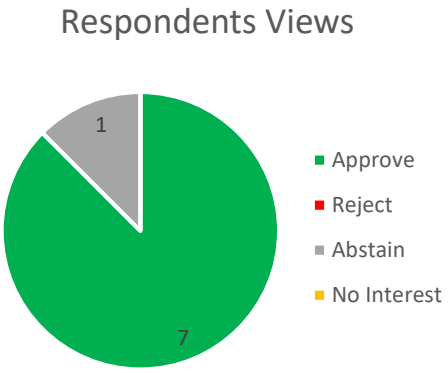
This document contains the collated responses to the Modification Report Consultation (MRC) for SECMP0049.

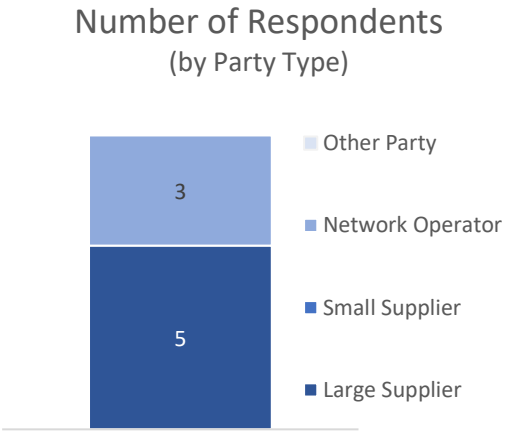
The Change Board will consider these responses at its meeting on 22nd August 2018, where it will determine whether SECMP0049 should be approved by the Authority.

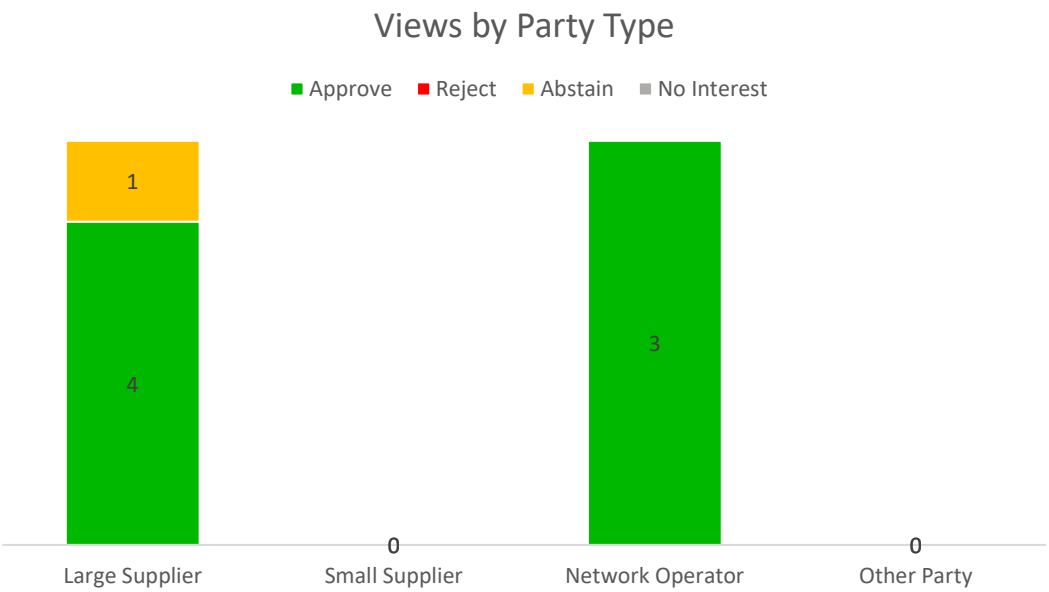
© SECCo 2018

Summary of Responses

This section summarises the responses received to the SECMP0049 MRC.







© SECCo 2018

Question 1

Q1: Do you agree that the proposed solution better facilitates the SEC Objectives and should therefore be approved?

Party Name	Party Category	Yes/No/ Neutral	Comments
E.ON	Large Supplier	Neutral	We note that the current solution risks elongating the change process which contravenes rather than supports SEC objective g. That said, should Parties be able to engage with this process, an independent issues group would likely increase the efficiency of the change process (as is demonstrated by such groups under other Codes) and the solution would therein better facilitate SEC objective g.
Northern Gas Networks Ltd.	Gas Network Operator	Neutral	We believe the introduction of a pre-modification process has merit as it should result in more thoroughly developed proposals being presented to the Panel, therefore increasing the timeliness for being accepted as formal modifications and making the modification process more efficient. However, we would request that there is not an obligation on representatives from each party category to attend all Change Board led workgroups if there is no impact on their organisation.
Western Power Distribution	Electricity Network Operator	Yes	We believe that the proposed solution better facilitates the SEC Objective (g). The benefits of introducing a pre-modification process with expert input will reduce the need for Refinement and Work Groups, which can be difficult to resource.
SSEN	Electricity Network Operator	Yes	SSEN support the proposer view that a check and balance is maintained for the time being. As the FMR indicates SECAS will undertake a review following the implementation of these changes.

This document is classified as **White**
© SECCo 2018

			At this time, more evidence will have been gathered as to the check and balances need to remain or can be amended.
Utility Warehouse	Large Supplier	Yes	We believe this better facilitates general objective (g) as the introduction of a pre-modification process will improve efficiency by allowing solutions to be explored prior to needing to enter the formal refinement process.
Npower	Large Supplier	No	Whilst we are supportive of the intent of this modification we feel that further development is required if it is to meet the objective (G) outlined within the modification. We believe that in order for a modification to progress more effectively DCC engagement is required earlier within the process so that informed decisions can be made sooner within the process. We would expect the DCC to be a part of the pre modification development working group.
EDF	Large Supplier	Yes	We agree with the proposer and the working group that the Proposed Solutions for SECMP0049 will better facilitate SEC Objective (g) and 'facilitate the efficient and transparent administration and implementation of this Code'. The current Modifications process is clearly not leading to the right outcomes at the moment, if implemented correctly the proposed solution should improve the process but we note that a change of behaviour by SEC Parties as well as changes to the SEC itself will be required to deliver such an improvement.
Utilita	Large Supplier	Yes	We agree with the working groups view that this Modification better facilitates objective g). We believe introducing a development stage into the process should enable better upfront understanding of issues and whether solutions are required and what industry support would be to progress with a Modification. This therefore should reduce the number of Modifications that go through refinement stage if Proposers are able to seek input early on in the change process, reducing the amount of Working Group meetings being established which requires resource from industry.

© SECCo 2018

Question 2

Q2: Do you believe that the Alternative Solution better facilitates the SEC Objectives?

Party Name	Party Category	Yes/No	Comments
E.ON	Large Supplier	Neutral	As above
Northern Gas Networks Ltd.	Gas Network Operator	Yes	Yes, see above.
Western Power Distribution	Electricity Network Operator	Yes	We believe that the alternative solution will also better facilitate the SEC Objective (g) as per our response in Q1. The Alternative Solution is more efficient than the Proposed Solution as allowing the Change Board to send the Final Modification Report directly back to the Working Group rather than the Panel removes, what we believe is, an unnecessary step.
SSEN	Electricity Network Operator	No	See response to Q1 above
Utility Warehouse	Large Supplier	Yes	We believe this also better facilitates general objective (g) for the same reasons as the proposed solution, but would introduce additional efficiencies by removing an unnecessary step from the Panel in the modifications process.
Npower	Large Supplier	No	Whist we are supportive of the intent alternative solution. This is a more efficient process, however, we believe further development of the modification is required for the reason outlined above.

This document is classified as **White**
© SECCo 2018

EDF	Large Supplier	Yes	We also agree with the proposer and the working group that the Alternative Solution for SECMP0049 will better facilitate SEC Objective (g) and 'facilitate the efficient and transparent administration and implementation of this Code' for the same reasons as the Proposed Solution. We do not believe that the outcomes delivered by the two Solutions are likely to be materially different.
Utilita	Large Supplier	Yes	One of our main concerns with the SEC Change Process is the delays in which a Modification can be developed. This is in part due to the fact Modifications are required to be discussed at various different forums such as the Change Board and Panel which creates delays. We are therefore supportive of the Alternative Solution as it reduces the need for Panel involvement in a stage of the process we think the Change Board is rightful placed to be able to make in sending back Final Modification Reports without the need for Panel involvement, especially as this Modification intends for the Change Board to have a greater understanding and holistic view on Modifications progression compared to current processes. We still believe the Panel could be less involved in Modifications to help speed up Modifications development like in other codes which have all delegated change management powers from their respective Panels, however we are prepared to see how the proposed changes improve the current process before further action be considered.

© SECCo 2018

Question 3

Q3: Which of the two solutions do you believe better facilitates the SEC Objectives?			
Party Name	Party Category	Yes/No	Comments
E.ON	Large Supplier	Neutral	We prefer the alternative solution on the premise that this solution reduces inefficiency within the change process when send-backs are necessary. However, our views concerning the facilitation of the SEC objectives are as above.
Northern Gas Networks Ltd.	Gas Network Operator	Neutral	The alternative solution is our preferred choice.
Western Power Distribution	Electricity Network Operator	Alternative	The Alternative Solution is more efficient than the Proposed Solution as allowing the Change Board to send the Final Modification Report directly back to the Working Group rather than the Panel removes, what we believe is, an unnecessary step and therefore better facilitates SEC Objective (g).
SSEN	Electricity Network Operator	Proposed	SSEN believes changes is necessary. However, as the SEC is a living code, further refinement to Section D is always possible. Evidence will support any further need to amend Section D.
Utility Warehouse	Large Supplier	Alternative	We believe the Alternative proposal better facilitates general objective (g) as this introduces additional efficiencies into the modification process that the proposed solution does not. In general, we believe the hybrid change process shared between the Panel and the Change Board is extremely inefficient.

© SECCo 2018

			Where the Change Board determines they are unable to vote on a solution as it requires further refinement, and this goes back to the Panel one of two decision can be made: 1. The Panel can agree with this and send the modification back to a workgroup. At this point, the same decision has been made but the modification has been delayed for up to a month. 2. The Panel can disagree with this and send this back to the Change Board to vote. By doing this, they are either forcing the Change Board to reject the proposal, or accept a solution they have already deemed is not fit for purposes. This represents poor governance and brings no benefit to the industry or the SEC. Removing this from the process will introduce efficiencies into the process and we therefore believe that the alternative solution better facilitates the SEC Objectives.
Npower	Large Supplier	Alternative	The Alternative solution provide a more efficient process and would therefore meet the SEC objective G
EDF	Large Supplier	Neutral	We don't believe that the differences between the two Solutions are material enough to make it clear that one would better facilitate the SEC Objectives than the other.
Utilita	Large Supplier	Alternative	As stated previously, we support the alternative solution when it reduces the need for Panel involvement in a stage of the process we think the Change Board is rightful placed to be able to make in sending back Final Modification Reports without the need for Panel involvement, especially as this Modification intends for the Change Board to have a greater

© SECCo 2018

			understanding and holistic view on Modifications progression compared to current processes.

© 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 agree that SECMP0049 should be approved?

Party Name	Party Category	Yes/No	Comments
E.ON	Large Supplier	Neutral	We note that the Working Group have discussed the potential for a post-implementation review because so many members would prefer the Change Sub-Committee to be independent of any other Sub-Committee, but we fear that this undermines the integrity of the change process under this Code. We do not believe it is appropriate for a change process to continually implement 'less-than-par' solutions as has been the common affliction in this change process over the last few months. We still contend that there are better alternative solutions as is evident in other Codes, although we concede that this Modification has the potential to better facilitate the efficiency of the change process when compared with the existing arrangements.
Northern Gas Networks Ltd.	Gas Network Operator	Yes	The pre-modification process if implemented should result in more thoroughly developed proposals and improve the efficiency of the modifications process.
Western Power Distribution	Electricity Network Operator	Yes	We will incur minimal costs. Potential benefits will be realised as a result of a more efficient change process that allows for expert input and industry views to be obtained earlier in the process, therefore reducing the likelihood of modifications having unnecessarily prolonged refinement periods which tie up resources.
SSEN	Electricity Network Operator	Yes	

© SECCo 2018

Utility Warehouse	Large Supplier	Yes	We believe this modification should be approved. While this is not our preferred solution, and we believe there are better ways to operate a pre-modification / issue resolution process, this solution is a significant step forward from the existing modifications process and will introduce some benefit.
Npower	Large Supplier	Yes	We believe that in order for a modification to progress more effectively DCC engagement is required earlier within the process so that informed decisions can be made sooner within the process. We would expect the DCC to be a part of the pre modification development working group. We would like re-assurance from DCC of their participation at the 'pre development' working groups
EDF	Large Supplier	Yes	
Utilita	Large Supplier	Yes	We believe this Modification is a step in the right direction and should be implemented as long as a post implementation review is conducted 6-12 months after the proposed implementation date. A culture change is required from SECAS, the SEC Change Board and industry as a whole to make this Modification successful i.e. SECAS should be recommending parties to utilise the development stage to gain interest input without the need for refinement for non-complex or contraversial modifications. We also believe the Change Board may require a greater level of expertise to sufficiently aid Proposers in the development of their Modifications which may go over and beyond current expectations on members.

© SECCo 2018

Question 5

Q5) Do you agree that draft legal text changes deliver the intention of the modification?

Party Name	Party Category	Yes/No	Comments
E.ON	Large Supplier	No	**Alternative Solution** D8.14 (a) – we do not believe the current legal drafting reflects the discussions of the WG. We believe that this clause needs to permit the Change Board to return a Modification to the Change Sub-Committee rather than the Code Administrator where the Modification was subject to the Draft Proposal process. We have the following additional comments on the legal drafting: **Section A** We don't understand why the naming conventions for Modification Paths have been amended; we don't believe this is part of the Modification's intent and we believe it makes the process less clear and will generate confusion. We believe that the alteration made to the Significant Code Review (SCR) ought to be clarified with the Authority. The Authority are not bound by the Code and thus the Code should merely reflect the process by which the Authority will apply changes to the Code as part of a SCR, and we believe it unlikely that the Authority will submit a Draft Proposal (DP). We note that where the Authority will not be raising DPs in a SCR, D1.2 and D5.7 will need to be amended accordingly. **Section C** C2.3 – this is noted as D2.3 rather than C2.3, and I (i) states "changes to other Energy Codes consequent on Draft Proposal". We do not believe this to be the intent of Modification, and believe this will introduce inefficiency because it will exist thereafter that WG groups under different Codes are

© SECCo 2018

			refining solutions which may not be the same/complimentary following such refinement. **Section D – Solution Agnostic** D1.7 – the current legal drafting does not permit the Proposer to recommend that the Modification Proposal be an Authority Determined Modification. We do not believe this is reflective of the intent of the Modification and we do not support it. We believe the Proposer has every right to recommend that their Modification Proposal be an Authority Determined Modification in accordance with the criteria of D2.6. D1.7 – clause l has been removed from the current legal drafting which creates divergence from the requirement in clause C2.3. D1.9 (e) – the current legal drafting does not require the Modification Register to indicate whether a Modification Proposal is an Authority-Led or Authority Determined Modification, we do not agree with this change and we do not believe it is part of the solution for this Modification. D1.9 (g) and (h) – the current legal drafting does not require the Modification Register to include the agenda and minutes for WGs or the Modification Report for Modification Proposals. We do not support this change; this information is an essential requirement of the change process for Parties. D1.12 – we do not understand why 'Draft Proposal' has been inserted ahead of 'Modification Proposal' in the main body of the clause, but the section relevant to a 'Draft Proposal' has been inserted following those relevant to 'Modification Proposals'. For consistency we believe that (d) ought to replace (a), and (a)-(c) ought to be renumbered accordingly. D2.2 – the current legal drafting does not permit the Panel to determine that a Modification Proposal shall be Authority Determined. This is a fundamental change to the change process that undermines best practice for the change processes within this Industry. We do not support this change and neither do we believe it to be reflective of the solution of this Modification. We would further note that this contradicts clauses D2,6, D4.1 and D4.2.

© SECCo 2018

			D2A.2 – the proposed legal text still permits that existing Sub-Committees are utilised as the Change Sub-Committee. We do not support this solution. As aforementioned, the following concerns apply to this approach: existing Sub-Committees may not be the appropriate group for DP consideration due to representation and 'expertise' of that group; the Change Board would be unduly burdened by this additional work and would in effect be 'marking its own homework' where later voting on a relevant Modification. Additionally, this presents conflicts with the terms or reference, roles and responsibilities of, and voting arrangements of the separate Sub-Committees that cannot be resolved. It has been noted be several Parties on numerous occasions that the arrangements of existing 'Issues Group' within the Industry demonstrate the most effective and efficient way of achieving the intent of this Modification. Furthermore, we would highlight this as another example of where the SEC Change Process is currently falling foul of poor governance. The Working Group members gave a clear, majority preference to have this proposed Change Sub-Committee as a new Sub-Committee that was independent of Change Board, and we do not believe it is appropriate that Panel's desire to avoid an additional group (which is likely to be challenged with the advent of the Release Management group anyway) should mean that an appropriate alternative solution is not raised by the Code Administrator on behalf of the WG. D3.6 – the current legal drafting only permits the Code Administrator one Working Day (WD) to undertake their obligations in D3.4 where Panel requires their meeting papers 5 WDs in advance of their next meeting. We would ask that the Code Administrator review the viability of this. D3.7 (a) – we believe there ought to be a comma following "forward". D3.7 (c) – we believe that there ought to be text added here to clarify that the views sought from DCC cannot constitute a DCC Assessment. D3.7 (d) – the current legal drafting is inconsistent between the two solutions: the proposed solution states "recommend", the alternative solution states "consider".

© SECCo 2018

			D3.8 – We do not understand why the Change Sub-Committee would be asked to propose a timetable for the progression of a Modification Proposal; this seems inefficient to us given that Panel are responsible for this determination (D3.12 (f)), and for the Release in which any Modification will be implemented. Parties are asked to note their view against the proposed implementation date during the consultation and we see no benefit of introducing additional work into the Change Sub-Committee where is seemingly serves no purpose. D3.12 – see comments beside D2.2. D6.10E –The current legal drafting does not accommodate an eventuality wherein a Draft Proposal requires a DCC Assessment but is not progressed via the Refinement Process. The formatting of this section also differs across the legal drafting of each solution; we believe the formatting in the legal drafting of the alternative solution is in keeping with Code. D8.14A – We believe that this clause ought to be reconsidered. The Panel currently have responsibility for DCC costs that are relevant to the Change Process, thus we believe that Panel ought to be making this decision to align to their other responsibilities. We note that if the Code Administrator are considering any amendments to the Draft Proposal form (D1.5) as part/a consequence of this Modification, such a form should be published prior to the implementation of this Modification so as not to prevent its use. We also note that Path 1 Modifications have been entirely removed from the documentation of the Change Process within the current legal drafting (e.g. D1.9 (e)) and we do not support this change. It is necessary that Parties have visibility of all Authority-Led Modifications, and not that this must be inferred because the Modification does not stipulate Path 2 or 3, especially considering how many Modification documents are sent out without highlighting the Modification Path.
Northern Gas Networks Ltd.	Gas Network Operator	Neutral	The legal text is sound, but again our preference is the alternative solution.

© SECCo 2018

Western Power Distribution	Electricity Network Operator	Yes	
SSEN	Electricity Network Operator	Yes	
Utility Warehouse	Large Supplier	Yes	
Npower	Large Supplier	Yes	
EDF	Large Supplier	Yes	We have not identified any issues with the draft legal text changes.
Utilita	Large Supplier	Yes	Although we believe the proposed legal text delivers the change of the Modification we believe there were other ways in which the legal drafting could have been developed which arguably could have been less complex. For example, we would have preferred introducing the concept of issues and issues forms into the SEC rather than issues having to be raised as Draft Modifications which we believe could lengthen the information parties with issues are expected to provide initially and could distinctive parties utilising the development stage with rather going straight to refinement.

© SECCo 2018

Question 6

Q6) Do you agree with recommended implementation date?			
Party Name	Party Category	Yes/No	Comments
E.ON	Large Supplier	Neutral	We would not object to the proposed implementation date if Panel were to approve it, but we note that we do not feel it appropriate for Parties to be asked whether or not they agree with flouting the Release Management Policy; it is for the Panel to determine changes to a Release.
Northern Gas Networks Ltd.	Gas Network Operator	Neutral	
Western Power Distribution	Electricity Network Operator	Yes	The benefits of this modification will greatly assist in efficientiecy and resourcing, therefore the earlier this modification, if approved, is implemented, the quicker these benefits will be realised.
SSEN	Electricity Network Operator	Yes	
Utility Warehouse	Large Supplier	Yes	
Npower	Large Supplier	Yes	
EDF	Large Supplier	Yes	
Utilita	Large Supplier	Yes	This modification should be implemented as soon as reasonably practical.

© SECCo 2018

Question 7

Q7) Do you have any other comments?

Party Name	Party Category	Yes/No	Comments
E.ON	Large Supplier	No	
Northern Gas Networks Ltd.	Gas Network Operator	No	
Western Power Distribution	Electricity Network Operator	Yes	We acknowledge that the changes proposed by this Modification will also require a change in culture. SECAS need to promote and explain fully to ensure SEC parties are engaged and encouraged to follow the process described and we would support the requirement of a post implementation review. The form for the Draft Modification Proposal for the Change Board, does not need to be as detailed as the Draft Modification Proposal which is going straight to the Panel. Where a Draft Modification Proposal is going straight to the Panel the intentions of the Draft Modification Proposal must be clear.
SSEN	Electricity Network Operator	No	
Utility Warehouse	Large Supplier	No	

© SECCo 2018

Npower	Large Supplier	No	
EDF	Large Supplier	Yes	As noted in some of the responses and in the Final Modification Report, while the changes to the SEC itself are appropriate and should be made, the consequential impacts of this will need to be monitored and a post-implementation review will be required. It must be ensured that new process meets the intent of reducing the overall burden that the change process places on SEC Parties, and reduces the timescales for progressing changes through the process. It must also be ensured that the additional responsibilities that are proposed for the Change Board do not become overly onerous for that group, and also that the group itself has (or has access to) the right expertise to be able to carry out the role proposed for it. What we are concerned about is that we might see the same problems materialising, but just at different stages in the process instead, with the Change Board becoming the bottleneck instead of the Working Groups.
Utilita	Large Supplier	Yes	As discussed previously in our response we urge the scheduling of a post implementation review of the change process modifications to ensure that parties are benefiting from the new arrangements and more importantly the modifications have been implemented as desired by the working group. We would also comment that we felt the review of the change process was somewhat limited by the fact that three modifications were raised early on in the review stage. Rather it would have been more effective if a process could have been designed from scratch focusing on parties issues, however in our experience the working group was limited by the scope of the modification proposals which were initially developed by SECAS.

© SECCo 2018