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| Modification proposal: | Smart Energy Code (SEC) Modification Proposal (MP) SECMP0061 – Enduring SEC Release Provisions | | |
| Decision: | The Authority ¹ determines that this modification ² should be made ³ | | |
| Target audience: | Data and Communications Company (DCC), SEC Panel, Parties to the SEC and other interested parties | | |
| Date of publication: | 06 December 2018 | Implementation date: | 28 February 2019 |

Background to the modification proposal

BEIS currently oversees the development activities carried out by the DCC in relation to the Smart Meter Implementation Programme. This includes agreeing the technical content of SEC Releases, including defect fixes, the Release Implementation Approach and monitoring the progress of Releases.

BEIS is transitioning out of these activities, with the expectation that a subset of these will transfer to the SEC Panel meaning it will oversee SEC Releases on an enduring basis. However, a review of Section D (Implementation) of the SEC, has identified that the SEC does not include the full set of obligations and powers for the SEC Panel in relation to oversight of Release Management for SEC Releases.

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. The Panel agreed that the responsibilities it would take on from BEIS should be included in its duties.

The modification proposal

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

The detail of how the Panel will fulfil 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.

The Proposer considers this will provide greater flexibility to update the underlying process in response to feedback and lessons learnt, while also ensuring the key obligations are contained within the SEC and with any change requiring a modification to be raised.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² 'Change' and 'modification' are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and by section 38A of the Gas Act 1986.

SEC Change Board⁴ recommendation

At the SEC Change Board meeting on 24 October 2018 a majority of the Change Board considered that SECMP0061 would better facilitate the seventh SEC General objective and recommended its approval. The majority view of the Change Board is that the modification would enable the Panel to implement changes that SEC Parties had determined should be implemented, as well as provide more transparency and understanding regarding future SEC Releases.

The Change Board agreed that SECMP0061 is neutral against all other SEC Objectives.

DCC Impact assessment

There was no DCC impact assessment as the proposed modification will not impact DCC services and interfaces.

Our decision

We have considered the issues raised by SECMP0061, the Final Modification Report and the Change Board's recommendation received by us on 1 November 2018. We have considered and taken into account the votes of the SEC Change Board on the proposal which is attached to the Change Report. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the SEC general objectives;⁵ and
- directing that the change is approved is consistent with the Authority's principal objective and statutory duties.⁶

Reasons for our decision

We consider this modification proposal will better facilitate the seventh SEC General Objective and has a neutral impact on the other SEC objectives.

the seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of the SEC⁷

We agree that SECMP0061 will provide the SEC Panel with powers appropriate to its ongoing role in managing and overseeing the implementation of future SEC Releases. This is a positive step towards transitioning to an enduring governance model and should facilitate the efficient and transparent implementation of SEC.

Decision notice

⁴ The SEC Panel and Change Board are established and constituted pursuant to and in accordance with DCC Licence 22.25(a).

⁵ The Objectives in accordance with Smart Meter Communication Licence 22.10-22.17

⁶ The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 as amended and the Gas Act 1986 as amended.

⁷ Smart Meter Communication Licence Part D 22.17.

In accordance with standard licence condition 23 of the Smart Meter Communication licence, the Authority hereby determines that modification proposal SECMP0061 'Enduring SEC Release Provisions' be made.

Jacqui Russell

Head of Metering & Market Operations

Signed on behalf of the Authority and authorised for that purpose