

## DCP 417

### 'Ability for the DCUSA Secretariat to Raise Change Proposals'

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	1. Do you understand the intent of the CP?	Working Group Comments
Centrica	Non-confidential	Yes we understand the intent of DCP 417.	Noted
Drax	Non-confidential	Yes.	Noted
EDF	Non-confidential	Yes.	Noted
Energy Assets	Non-confidential	Yes.	Noted
ENWL	Non-confidential	Yes, we understand the intent of the CP.	Noted
National Grid	Non-confidential	Yes.	Noted
NPg	Non-confidential	Yes.	Noted
SSEGen	Non-confidential	Yes.	Noted
Working Group Conclusions:			

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

All responders confirmed that they understood the intent of DCP 417.

Company	Confidential/ Anonymous	2. Are you supportive of the principles of DCP 417?	Working Group Comments
Centrica	Non-confidential	<p>No we are not supportive of the principles of DCP 417.</p> <p>Fundamentally the DCUSA is a multi party commercial agreement between Suppliers and Distribution Businesses for the provision of electricity distribution services. Given that the parties to the code are those most impacted by changes to the code we believe only parties to the code should have the ability to raise change proposals.</p>	<p>Noted – the Working Group has considered an alternative solution which will ensure industry engagement throughout the process. This solution is detailed further in the summary section below.</p>
Drax	Non-confidential	<p>No. Our primary concern is that, if approved, the Secretariat would have the ability to raise Change Proposals and effectively be able to “mark its own homework”.</p> <p>We also agree with all the risks that the Working Group have identified with those listed below of particular concern:</p> <ul style="list-style-type: none"> <li>• the Secretariat could be marking its own work at certain points in the process;</li> <li>• the Secretariat could raise Change Proposals to change or enhance its own abilities;</li> </ul>	<p>Noted – the Working Group has proposed a new solution which they believe mitigates against the concerns raised. A summary of this solution is below, a second consultation is to be issued seeking further views on this new solution.</p>

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<ul style="list-style-type: none"> <li>• the Secretariat could raise Change Proposals for subjects where it lacks the expertise to do so;</li> <li>• the Secretariat could raise a large number of Change Proposals, resulting in resource and prioritisation issues for itself, the Panel and industry as a whole.</li> </ul> <p>Under current rules, if the Secretariat identifies a potential change that would better facilitate the DCUSA Objectives, they are able to engage with industry colleagues in order to identify a sponsor for that change. If the change offers clear benefits we would not regard it, based upon our experience across codes, to be particularly burdensome to gain a sponsor and to work with them.</p> <p>As set out in the consultation, a requirement to gain Panel approval for all Change Proposals raised by the Secretariat would only provide very limited risk mitigation given the limited Panel powers to reject Change Proposals.</p> <p>The current sponsorship requirement embeds an important element of engagement with industry parties whose systems, processes and customers may be impacted by a Change Proposal.</p> <p>We also note that the code governance arrangements including code manager criteria are being reformed by Ofgem and DESNZ. Substantive changes to related code governance arrangements at this time are in our view not appropriate.</p>	
EDF	Non-confidential	Yes.	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Energy Assets	Non-confidential	Yes.	Noted
ENWL	Non-confidential	We are not supportive of the principles as we believe that Change Proposals should be supported by an industry party unless they fall into: <ul style="list-style-type: none"> <li>• Housekeeping</li> <li>• Authority Directed</li> </ul>	Noted
National Grid	Non-confidential	Yes.	Noted
NPg	Non-confidential	Yes.	Noted
SSEGen	Non-confidential	We don't consider that a sufficient case for change has been made, and we are not persuaded that there is an issue that needs resolving. We would have liked to see some more detailed examples of proposals the Secretariat would have brought forward (or will in the future) if it had the powers to do so, together with a quantification.	Noted - further analysis will be provided in the second consultation regarding this.
<p><b>Working Group Conclusions:</b></p> <p>In regard to support for this CP, it was an even split – four respondents support the CP, whilst the other four respondents did not. Key themes amongst those respondents that were not supportive are below, a majority of these were identified in the previous consultation and a majority of the Working Group believed they were mitigated against, however as stated above following review of the consultation responses propose a new solution which is detailed further in Section 5 of this consultation.</p> <ul style="list-style-type: none"> <li>• Insufficient industry engagement prior to a Secretariat lead CP being raised.</li> </ul>			

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

- Secretariat would have the ability to raise Change Proposals and effectively be able to “mark its own homework”.
- The Secretariat could raise Change Proposals to change or enhance its own abilities;
- The Secretariat could raise Change Proposals for subjects where it lacks the expertise to do so;
- The Secretariat could raise a large number of Change Proposals, resulting in resource and prioritisation issues for itself, the Panel and industry as a whole.
- Current proposed governance gives the Panel limited powers to reject a Secretariat CP.

One respondent stated that they didn’t believe a sufficient case for change has been made, and are not persuaded that there is an issue that needs resolving. Further analysis will be provided in the second consultation regarding this.

#### **Summary of alternative solution**

In the first consultation, it was proposed that the Secretariat should be able to raise CPs utilising the existing DCUSA governance that DCUSA Parties follow (albeit the Secretariat would not be a DCUSA Party). Respondents from the first consultation raised concerns that the Secretariat could raise changes that benefits itself and particular concerns were raised in regard to lack of industry input prior to a change being approved to progress to Working Group or Change Report.

Following review of the consultation responses, the DCP 417 Working Group has revised the proposed solution. There are two existing DCUSA forums – the Standing Issues Group (SIG) and the Distribution Charging Methodologies Development Group (DCMDG) – which are held monthly. The suggested amendment is that where the Secretariat identifies an area of DCUSA that it believes would benefit from a change, this is initially raised at one of these forums by completing an issues form. This will then be reviewed at the relevant group and next steps will be determined by the members. It may be that following discussions, an industry member wishes to take on the change and a Change Proposal (CP) is submitted through an existing DCUSA Party. Alternatively, the group would instruct the Secretariat to take the lead on raising the CP, or it could be decided that the issue is not progressed any further at that stage. This would all be formally recorded in the minutes and published on the DCUSA website.

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	3. Do you agree with the list of potential benefits?	Working Group Comments
Centrica	Non-confidential	<p>Whilst we agree there may be some benefit in the ability for the Secretariat to raise housekeeping change proposals we believe that most of the benefits are negated by the fact that DCUSA party members can and have raised changes proposals in the past to address industry issues and major industry transformation projects. The additional Authority powers under an SCR have been shown to be sufficient in the past with the current scope of the code admin’s role adequate in coordinating change.</p>	<p>Noted – it is believed that the alternative solution can add additional benefits by allowing the Secretariat to raise issues at the SIG or DCMDG. Issues will only lead to CPs at industry instruction, and you can argue that any issue that is raised by the Secretariat that ultimately leads to a CP (regardless of who the owner of the CP is) will demonstrate adding extra value then at present.</p>
Drax	Non-confidential	<p>No. As set out in our response to Q2) if the DCUSA Secretariat identifies a potential code improvement, and if the benefits clearly outweigh the costs/other potential impacts, we would not expect the requirement to obtain a sponsor to be particularly burdensome.</p> <p>Importantly, the current sponsorship requirement ensures engagement with industry parties whose systems, processes and customers may be impacted by a Change Proposal.</p> <p>We believe the potential risks, as highlighted by the Working Group, far outweigh any potential benefits. For example, the Secretariat could raise Change Proposals to change or enhance its own abilities and mark its own work at certain points in the process.</p>	<p>Noted – the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.</p>

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>With respect to the specific list of benefits at 4.13 in the consultation document, many of the proposed benefits such as those in relation to SCR are already available under the existing governance arrangement. Additionally, the stated benefits regarding developing the secretariat’s own abilities, training of its staff, and as preparation for a code manager role, are either not credible benefits of this proposed change, should (and could) be realised without this change, or are inappropriate. We do not believe the secretariat’s expertise is best enhanced in developing modifications, particularly where they cannot garner sufficient industry support to readily find a sponsor, or that it is appropriate to change governance arrangements to enhance the DCUSA Secretariat’s competitive advantage as the incumbent code manager in any future competitive tender for code manager services.</p>	
EDF	Non-confidential	Yes.	Noted
Energy Assets	Non-confidential	Yes.	Noted
ENWL	Non-confidential	<p>We recognise that some of the potential benefits listed, for example, minor housekeeping and authority directed change would be useful, however, we are not currently convinced that this change is necessary. We would like to see a clear separation of where this could be utilised and where a Party would be required to raise a change due to their customer and industry knowledge.</p>	Noted – the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

	<p>In our view, industry ownership of change and the ability for industry to influence change is a cornerstone of the current arrangements. We are not clear that there is a problem that this change proposal solves of modifications that are beneficial to customers but have not been able to progress. We are also concerned with the uncertainty around Code Reform, meaning it is very unpredictable how this change may end up. Consequently, we do not currently consider now to be a good time to be contemplating this modification. Industry parties have the in-depth knowledge of their customers and their needs, and we believe that when the Secretariat has a good idea, either through cross code groups or its own knowledge, there should not be an issue finding a party to support their change.</p> <p>The circumstances in which the Secretariat could raise a change proposal would appear to be the same in this change proposal as existing Parties. We believe the rejected SEC modifications were similar in this regard, which may influence the Authority, so we suggest the working group revisits similar SEC changes and why Ofgem rejected these, particularly regarding evidence to demonstrate the volumes covering when the Secretariat has had issues in finding a sponsor for change proposals. The consultation documentation doesn't appear to demonstrate that the current process is blocking the efficient progression of change proposals.</p> <p>We ask are volumes available evidencing where sponsors had to be found for particular types of change proposal: (a) suggested by the Secretariat (b) housekeeping changes and (c) under directions from the Authority, as that would highlight the numbers involved.</p>	<p>The comment regarding further rationale for this CP has been noted and further analysis will be provided in the second consultation.</p>
--	---	---

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>We did consider whether this could be an initial change proposal where it would be prudent to limit the circumstances to the housekeeping changes and directions from the Authority, as that would provide some efficiencies with a view to revisiting a separate change proposal to address where the Secretariat identified a change would better facilitate the DCUSA objectives, potentially taking some text from the REC to include <i>‘where it identifies opportunities to improve customer outcomes’</i>.</p>	
National Grid	Non-confidential	Yes.	Noted
NPg	Non-confidential	Yes.	Noted
SSEGen	Non-confidential	<p>We agree that new Secretariat powers might be useful in the context of Ofgem SCRs (where change proposals are directed by the Authority rather than developed by the Secretariat), as well as for housekeeping changes (as per 4.13.1/2/5/6 of the Consultation) and for cross code consequential changes (as per 4.13.7). We consider that proposals outside that specific scope should not be raised by the Secretariat, e.g. in relation to the network charging methodologies.</p> <p>We don’t agree that the Secretariat is necessarily always impartial, as it is a commercial organisation with its own aims, and hence there is the potential for the Secretariat to use any new powers created by this proposal (if approved) to further its own objectives (4.13.3).</p>	<p>Noted - the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.</p> <p>The proposal regarding Working Groups being able to collectively withdraw a proposal has been removed from the solution.</p>

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>It is not clear to us why allowing the Secretariat to raise change proposals “would allow Working Groups to determine, collectively, whether to continue with a Change Proposal or withdraw it from the change process, rather than be solely at the discretion of a single sponsor”. No rationale or discussion seems to have been provided, and the proposed legal text doesn’t include this provision either (4.13.4).</p> <p>We are not in favour of Working Groups being given the power to withdraw a proposal, regardless of who raised it. We prefer the existing provisions for the withdrawal of proposals to remain unchanged (as per DCUSA Section 1C). In any case, such Working Group power would contravene the spirit of CACoP<sup>2</sup> principle 6.</p> <p>We think the Secretariat can, and does, already utilise the expertise and experience of its employees to identify and raise beneficial proposals (4.13.9).</p> <p>In terms of the Secretariat being able to further develop its abilities etc, and to prepare for the role of Code Manager (an initiative still subject to consultation, we understand), we are not certain that these are aims relevant in the context of this change proposal (4.13.10/11).</p> <p>Overall, we are not convinced that in aggregate, the benefits are material, nor that they are greater than the potential downsides.</p>	
Working Group Conclusions:			

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Four respondents agreed with the list of benefits outlined in the consultation. The four respondents not supportive reiterated some of the concerns above and some noted that a more narrowed scope may be appropriate, for example, limited to housekeeping changes, Authority lead and consequential changes.

Company	Confidential/ Anonymous	4. Do you consider that there are other benefits of allowing the DCUSA Secretariat to raise Change Proposals?	Working Group Comments
Centrica	Non-confidential	No.	Noted
Drax	Non-confidential	No.	Noted
EDF	Non-confidential	Yes.	Noted
Energy Assets	Non-confidential	Not at this moment, we believe the benefits referenced in the consultation are comprehensive.	Noted
ENWL	Non-confidential	No, the list provided in the consultation document seems quite comprehensive.	Noted
National Grid	Non-confidential	No.	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

NPg	Non-confidential	No. We feel the main benefits as identified and listed in the consultation paper, are covered already.	Noted
SSEGen	Non-confidential	Not at this time.	Noted
<p>Working Group Conclusions:</p> <p>No respondents identified any additional benefits at this stage.</p>			

Company	Confidential/ Anonymous	5. Can you think of any other risks of allowing the DCUSA Secretariat to raise Change Proposals?	Working Group Comments
Centrica	Non-confidential	<p>We agree with the risks highlighted in section 4.15.</p> <p>In addition one of the benefits highlighted “prepares the Secretariat for the role of Code Manager, allowing it to build its experience in raising and managing change, with the support of the Panel and industry partners in a controlled environment.”</p> <p>We see the above as a risk to industry. Ofgem and DESNZ are currently undertaking industry code governance reform workshops to discuss such things as selection criteria for the new Code Managers and we are concerned that this change, if approved, will involve industry in additional cost and work as Electralink will be incentivised to raise change to demonstrate their readiness for the Code Manager role. This would appear</p>	Noted

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>to give Electralink an unfair advantage over other organisations that may wish to be considered for Code Manager role.</p> <p>We note that the proposals under code governance reform have identified that there will need to be differences in scope, skills and expertise of Code Managers versus Code Administrators, which effectively will qualify Code Managers to perform a more active role under licence and accountability to Ofgem in raising change themselves. The ability to raise change beyond housekeeping / administrative change should remain beyond the scope of Code Administrators.</p>	
Drax	Non-confidential	<p>Yes. Within the consultation, reference is made to the Retail Energy Code (REC) which is already empowered to proactively raise change proposals where it identifies opportunities to improve customer outcomes or better facilitate the REC objectives.</p> <p>This has not always been positive. For example, for changes to reporting requirements, the complexities of changes and the burden that they place on industry was not fully understood or considered. We have noticed that the number of change proposals is disproportionately higher when compared with the other equally complex codes. Additionally, there have been a number of instances where implementation dates have changed at short notice or been paused / abandoned.</p> <p>These practical examples of the impact that this change proposal could lead to also encompasses a number of the potential risks as captured within the Working Group Risk Analysis.</p>	<p>Noted - the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.</p>

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>We agree also, with all of the risks that the Working Group have identified for which those listed below are of particular concern:</p> <ul style="list-style-type: none"> <li>• the Secretariat could be marking its own work at certain points in the process;</li> <li>• the Secretariat could raise Change Proposals to change or enhance its own abilities;</li> <li>• the Secretariat could raise Change Proposals for subjects where it lacks the expertise to do so;</li> <li>• the Secretariat could raise a large number of Change Proposals, resulting in resource and prioritisation issues for itself, the Panel and industry as a whole.</li> </ul> <p>Fundamentally, this change would impinge upon the Secretariat’s independence in administering the code in the best interests of code parties and end consumers.</p>	
EDF	Non-confidential	No.	Noted
Energy Assets	Non-confidential	No.	Noted
ENWL	Non-confidential	No, we believe that the working group has recognised the risks relevant to the Secretariat raising Change Proposals and tried to mitigate them through the steps already involved within the DCUSA Change Process.	Noted – it is believed the new solution mitigates the issues raised and still provides an opportunity to add value.

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		The change process within the DCUSA is robust and currently works well but the requirement for these risks to be mitigated and associated concerns shows that industry parties only raising change is preferable at this time. The scale of the mitigations means this modification is now cumbersome and reflects the limited circumstances where the modification could be merited are unlikely to occur.	
National Grid	Non-confidential	No.	Noted
NPg	Non-confidential	No. We feel the risks already identified in the consultation paper cover any concerns.	Noted
SSEGen	Non-confidential	<p>We note the reasons cited by Ofgem in their SECMP88 and SECMP149 rejection letters, as well as Working Group identified risks, all included in the table at section 4.17, in particular:</p> <p>risks 8. and 12. - as a commercial organisation with its own mission, there is the potential for the Secretariat to use any new powers (if granted) to further its own aims (which may differ from its contractual remit).</p> <p>risk 9. – the Secretariat could raise CPs for subjects where it lacks the expertise to do so. We note that this is considered to be unlikely. However, once the Secretariat had the powers to raise CPs across all areas of the DCUSA, it does become a possibility. We consider that in key commercial areas which can have a significant impact on industry, such as network charging (including connections charges and residual charges), the Secretariat should not have the power to raise CPs.</p>	Noted - the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		risks 10. and 11. – the risk that the proposal could result in an increase of proposals beyond the level currently budgeted for, creating pressure on both industry’s and the Secretariat’s resources, and potentially, increased costs to industry.	
<p><b>Working Group Conclusions:</b></p> <p>There were mixed reviews as to whether respondents believe there are any additional risks of allowing the DCUSA Secretariat to raise CPs. One response stated that this may not be the best time in relation to the Ofgem Energy Code Reform. A concern regarding lack of industry input was also reiterated.</p>			

Company	Confidential/ Anonymous	6. Do you consider that the risks identified are mitigated by the existing DCUSA legal text, as per the analysis above? If not, please provide your rationale and suggest additional mitigations you believe are necessary.	Working Group Comments
Centrica	Non-confidential	<p>No. Only minimal additional legal text changes have been proposed to mitigate he risks highlighted in section 4.15.</p> <p>“10.2A. Any Change Proposal submitted by the Secretariat must, as far as can reasonably be determined by the Secretariat, better facilitate the achievement of the DCUSA Objectives than if the proposed variation were not made and not cause undue discrimination between the Parties or any classes of Part”.</p>	Noted - the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>We do not believe this additional legal text mitigates the risks highlighted in Section 4.15.</p> <p>The clause allows the Secretariat to determine whether any changes it brings forward reasonably better facilitate the achievement of the DCUSA Objectives. This is not sufficient to mitigate the risks.</p>	
Drax	Non-confidential	<p>No. We do not consider that the concerns as outlined in our response, or as identified by the Working Group are adequately mitigated by the existing DCUSA legal text. Based upon our practical experience under the REC, which the proposer has highlighted as an existing party able to raise change proposals, the ability for Code Administrators to raise their own change proposals and have a degree of “marking their own homework” has not been positive.</p>	<p>Noted - the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.</p>
EDF	Non-confidential	<p>Yes.</p>	<p>Noted</p>
Energy Assets	Non-confidential	<p>Yes and we believe the most powerful mitigator is the risk to the Secretariat’s industry reputation should unnecessary or self-enhancing change proposals be raised.</p> <p>We do see value in considering additional powers for the Panel to reject CPs raised by the Secretariat or their prioritisation however a risk to the Secretariat’s reputation should suffice in our opinion.</p>	<p>Noted</p>
ENWL	Non-confidential	<p>To a point, yes, however, it remains to be seen what the impact of Energy Code Reform will have on the change process.</p>	<p>Noted</p>

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

National Grid	Non-confidential	Yes.	Noted
NPg	Non-confidential	Yes.	Noted
SSEGen	Non-confidential	<p>In terms of an accountability/oversight mechanism (as requested by Ofgem in their SECMP 88 and 149 decisions) in respect of the Secretariat’s new powers (if approved), especially in the context of risks 3., 8. and 10., we propose that the Panel should be granted additional powers when initially assessing proposals, such as the ability to reject Secretariat proposals on the basis of a set of defined criteria. The Panel’s current powers to reject a new proposal are very limited and essentially of an administrative nature, not designed to address the risks identified in the consultation (as per paragraph 4.6, first bullet, and risk 15.).</p> <p>Mandatory ex ante industry scrutiny via the DCMDG and other channels could also be added as part of the oversight process.</p> <p>We also propose that the Panel could be granted prioritisation powers in the same way as the CUSC Panel*. This could ensure that Secretariat proposals are not given greater priority over other proposals in terms of allocating industry and Secretariat resources, especially where these are stretched. This provision could in fact apply to all proposals across the board, as it does under the CUSC, potentially delivering wider benefits.</p> <p>* CUSC section 8.19(e): "Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications</p>	Noted - the Working Group has proposed a new solution which they believe mitigates against the concerns raised. This will be detailed further in a second consultation.

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly."	
<p><b>Working Group Conclusions:</b></p> <p>There were mixed reviews as to whether respondents consider that the risks identified are mitigated by the existing DCUSA legal text. Those not supportive of the original proposal were did not believe the legal text mitigated against all the concerns. One respondent mentioned mandatory ex ante industry scrutiny via the DCMDG, and other channels could be added as part of the oversight process, and this has been considered in the new proposed solution.</p>			

Company	Confidential/ Anonymous	7. Are there any other mitigations in the existing DCUSA legal text that the Working Group should consider?	Working Group Comments
Centrica	Non-confidential	We fundamentally disagree that the Secretariat should be able to raise DCUSA change proposals.	Noted
Drax	Non-confidential	We disagree with the proposal for the reasons as specified above and so have no other comments at this time.	Noted
EDF	Non-confidential	No.	Noted
Energy Assets	Non-confidential	Only if the WG and party consultation responders see value in additional Panel powers mentioned above.	Noted

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

ENWL	Non-confidential	Following our response to Q3 above we would have a preference that the Secretariat be limited to raising a) housekeeping changes and b) Authority Directed changes and these limitations be included in the legal text.	Noted
National Grid	Non-confidential	No.	Noted
NPg	Non-confidential	No.	Noted
SSEGen	Non-confidential	We have no suggestions at present.	Noted
<p>Working Group Conclusions:                  Respondents did not identify any other mitigations in the existing DCUSA legal text.</p>			

Company	Confidential/ Anonymous	8. Do you believe any additional risks you identified in your answer to question 5 are mitigated by the existing DCUSA legal text? If not, please explain if you believe any additional mitigations are required.	Working Group Comments
Centrica	Non-confidential	No.	Noted
Drax	Non-confidential	No.	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

EDF	Non-confidential	N/A.	Noted
Energy Assets	Non-confidential	N/A.	Noted
ENWL	Non-confidential	The Energy Code Reform is currently an unknown risk, until this develops we have no way of knowing the implications for DCUSA.	Noted
National Grid	Non-confidential	Not applicable.	Noted
NPg	Non-confidential	N/A.	Noted
SSEGen	Non-confidential	See our comments under q.6.	Noted
<p><b>Working Group Conclusions:</b></p> <p>Most respondents responded with no or not applicable. One respondent reiterated that the Energy Code Reform is currently an unknown and one respondent referred to a previous response where they mentioned additional Panel powers or industry engagement through DCMDG and other industry groups.</p>			

Company	Confidential/ Anonymous	9. Do you consider that the Panel should have the ability to defer or reject the progression of a Change Proposal raised by the Secretariat if it is expected to cause costs over and above the	Working Group Comments
---------	----------------------------	---	------------------------

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		annual allocation for all DCUSA Change Proposals, unless the benefits outweigh these additional costs?	
Centrica	Non-confidential	Given our answer to question 7. We do not believe additional powers are required by the Panel.	Noted
Drax	Non-confidential	Notwithstanding that we do not support this change proposal, if it were introduced then the Panel should have appropriate powers to defer or reject a proposal raised by the secretariat. However, as set out in the Working Group Risk Analysis, the Panel would currently have limited ability to reject any Change Proposals raised by the Secretariat, and so the effectiveness of this stated mitigation is minimal.	Noted
EDF	Non-confidential	Yes, as this would help avoid a potential incentive on the Secretariat to raise change proposals to deliberately exceed the annual allocation for all DCUSA Change Proposals just to get additional payments.	Noted
Energy Assets	Non-confidential	Yes.	Noted
ENWL	Non-confidential	This has the potential for change proposals to be treated differently, so we believe the current drafting of the DCUSA is sufficient, recognising that with the Energy Code Reform coming down the line there could be changes to this facility in the future.	Noted
National Grid	Non-confidential	Yes.	Noted

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

NPg	Non-confidential	Yes.	Noted
SSEGen	Non-confidential	We consider that the Panel should have said ability with regard to Secretariat-sponsored Change Proposals at all times, not just when the annual cost allocation is at the point of being breached. See our response to q.6.	Noted
<p>Working Group Conclusions:</p> <p>A majority of the respondents agreed that the Panel should have the appropriate additional powers to defer or reject the progression of a CP raised by the Secretariat.</p>			

Company	Confidential/ Anonymous	10. Do you consider that the proposal better facilitates the DCUSA General Objectives?  If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons.  If not, please provide supporting reasons.	Working Group Comments
Centrica	Non-confidential	No we do not agree with the majority working group view that DCUSA General Objective 4 is better facilitated by this change proposal.  The working group has cited 4 inefficiencies below that this CP will reduce.	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<ul style="list-style-type: none"> <li>•the need for the Secretariat to locate a willing sponsor with the capacity to take on Change Proposals;</li> <li>• the need for the Secretariat to bring the sponsor up-to-speed on Change Proposals (a duplication of the activity in the assessment and definition processes);</li> <li>• the need for the sponsor, or potential sponsors, to expend time to read, digest and fully understand the Change Proposal (a duplication of the activity in the assessment and definition processes); and</li> <li>• the delay in progressing Change Proposals to the Panel for referral to the change process.</li> </ul> <p>We do not believe the working group has provided any evidence that the current arrangements block the efficient progression of modifications or that the proposed solution resulted in net benefits to consumers. The working group would need to provide evidence that changes have been unduly delayed, or not raised at all, which, we do not believe has been the case.</p>	
Drax	Non-confidential	No. We disagree with the proposer’s view that this proposal is positive for DCUSA General Objective 4 - ‘The promotion of efficiency in the implementation and administration of the DCUSA’. Our rationale is that we do not believe there are material inefficiencies with the current arrangements. For example, the requirement to locate a willing sponsor helps to mitigate the risks that we have set out in our response and also those identified by the Working Group.	Noted
EDF	Non-confidential	The following DCUSA Charging Objective is better facilitated by this change:	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.	
Energy Assets	Non-confidential	Yes, we believe that General Objective 4 is better facilitated for the reasons listed in the consultation document.	Noted
ENWL	Non-confidential	We believe this change proposal to be neutral against all General Objectives as there doesn't appear to have been any evidence presented to demonstrate that the current process is blocking the efficient progression of change proposals.	Noted
National Grid	Non-confidential	We agree with the change proposal that this change better facilitates General Objective 4.	Noted
NPg	Non-confidential	Yes, we agree in that DCUSA General Objective 4 is better facilitated by this Change, as it will allow improved administration of the Change process and free up industry time and resource.	Noted
SSEGen	Non-confidential	We note that the majority of the Working Group thought that the impact on all General Objectives bar the fourth would be neutral.  We consider that the proposal would be likely to have a neutral impact on the fourth Objectives as well, because we are not convinced that in aggregate, the benefits cited are material, nor that they are greater than the potential downsides.	Noted
Working Group Conclusions:			

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

There were mixed views as to whether the CP better facilitates the DCUSA General Objectives. The four supportive believe DCUSA General Objective Four is better facilitated. The four that were not supportive of the current proposal believe it is neutral at best.

Company	Confidential/ Anonymous	11. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
Centrica	Non-confidential	Ofgem and DESNEZ are currently engaging in a review of energy code reform which seeks to create Code Managers suitably qualified to raise change.	Noted
Drax	Non-confidential	No.	Noted
EDF	Non-confidential	No.	Noted
Energy Assets	Non-confidential	No.	Noted
ENWL	Non-confidential	Ofgem’s Energy Code Reform SCR could impact this change proposal as it will replace code administrators and code panels with a class of newly licensed code manager.	Noted
National Grid	Non-confidential	No.	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

NPg	Non-confidential	No.	Noted
SSEGen	Non-confidential	We believe that this proposal might interact with the ongoing Code Governance reforms. However, as per our response to q.3, in terms of the Secretariat being able to further develop its abilities etc, and to prepare for the role of Code Manager (a perceived benefit as per 4.13.10/11), we consider this a premature aim whilst the Code Governance reforms are still under development, i.e. not finalised (let alone approved by Parliament, at the time of writing).	Noted
<p>Working Group Conclusions:</p> <p>Three respondents noted that Ofgem and DESNEZ are currently engaging in a review of Energy Code Reform.</p>			

Company	Confidential/ Anonymous	12. Do you have any comments on the proposed legal text?	Working Group Comments
Centrica	Non-confidential	No.	Noted
Drax	Non-confidential	No.	Noted
EDF	Non-confidential	No.	Noted

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Energy Assets	Non-confidential	No.	Noted
ENWL	Non-confidential	No, we believe the legal text as drafted will deliver the intent of this CP.	Noted
National Grid	Non-confidential	No.	Noted
NPg	Non-confidential	No.	Noted
SSEGen	Non-confidential	<p>In our response to q.6, we have proposed that the Panel be granted additional powers when initially assessing proposals, such as the ability to reject Secretariat proposals on the basis of a set of defined criteria.</p> <p>Mandatory ex ante industry scrutiny via the DCMDG and other channels could also be added to make the oversight process more rigorous.</p> <p>As per our response to q.3, the proposed legal text doesn’t seem to include anything that “would allow Working Groups to determine, collectively, whether to continue with a Change Proposal or withdraw it from the change process, rather DCUSA Consultation DCP 417 Page 5 of 5 1.0 than be solely at the discretion of a single sponsor”, as is put forward at 4.13.4. This should be clarified.</p> <p>We have also proposed that the Panel could be granted prioritisation powers in the same way as the CUSC Panel*. This could ensure that</p>	Noted

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		<p>Secretariat proposals are not given greater priority over other proposals in terms of allocating industry and Secretariat resources, especially when these are stretched. This provision could in fact apply to all proposals across the board, as it does under the CUSC, potentially delivering wider benefits.</p> <p>Should these suggestions be adopted, the legal text would require amending accordingly.</p> <p>* CUSC section 8.19(e): "Having regard to the complexity, importance and urgency of particular CUSC Modification Proposals, the CUSC Modifications Panel may determine the priority of CUSC Modification Proposals and may (subject to any objection from the Authority taking into account all those issues) adjust the priority of the relevant CUSC Modification Proposal accordingly."</p>	
<p><b>Working Group Conclusions:</b></p> <p>Seven respondents had no comments on the proposed legal text. One respondent suggested that the Panel have additional powers to be able to defer/reject CPs when initially assessing them. It was also suggested that additional wording is added to state that Working Group members can collectively determine whether a CP should be withdrawn from the process prior to wider Consultation, if this is to be included within the solution, although they were not supportive of this.</p>			

Company	Confidential/ Anonymous	13. Do you have any other comments on DCP 417?	Working Group Comments
---------	----------------------------	--	------------------------

## DCP 417

### ‘Ability for the DCUSA Secretariat to Raise Change Proposals’

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Centrica	Non-confidential	No.	Noted
Drax	Non-confidential	Yes. As referenced within the consultation, we note that similar SECAS proposals SECMP88 and SECMP149 have been raised in the past and rejected by Ofgem. Having reviewed the Ofgem Decision Documents for these proposals, Ofgem’s rationale for rejection has underlined our position to oppose DCP417.	Noted
EDF	Non-confidential	No.	Noted
Energy Assets	Non-confidential	No.	Noted
ENWL	Non-confidential	Has the Secretariat seen many issues with delays when trying to find a sponsor for a CP? Where any thoughts or guidance provided by the Ofgem observer on how this CP might be received by the Authority, bearing in mind the previous modifications under the SEC?	Noted
National Grid	Non-confidential	No.	Noted
NPg	Non-confidential	No.	Noted
SSEGen	Non-confidential	As per our response to q.3 and 5, our preference is that new Secretariat powers should be limited to being granted in the context of SCRs (where	Noted

## DCP 417

### 'Ability for the DCUSA Secretariat to Raise Change Proposals'

#### COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

		change proposals are directed by the Authority rather than developed by the Secretariat), as well as for housekeeping changes and cross code consequential changes. We consider that proposals outside that specific scope should not be raised by the Secretariat, e.g. in relation to the network charging methodologies (including connection charges and residual charges).	
<p>Working Group Conclusions:</p> <p>Five respondents did not have any additional comments on this CP, and three respondents provided additional comments. One respondent mentioned that SEC had previously raised a similar CP and it was rejected. One respondent asked has there been many issues seen in relation to sponsors being found for CPs. One respondent reiterated that they believe the solution should be limited to housekeeping changes, changes directed by Authority and cross code consequential changes.</p>			