

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	1. Do you consider that the above process mitigates the risks and issues identified by the Working Group and by the respondents to the previous consultation?	Working Group Comments
British Gas [Supplier]	Non-Confidential	We do not consider the new process of requiring proposals raised by the Secretariat to be pre-approved by either the SIG or DCMDG mitigate the risks and issues identified by the working group.	No
Energy Assets Networks [IDNO]	Non-Confidential	Yes, requiring the perceived issue identified by the Secretariate to be discussed at SIG and/or DCMDG and a consensus at those meetings achieved and minuted to progress to change proposal, will be after full engagement with industry.	Yes
ENWL [DNO]	Non-Confidential	<p>We agree in principle with the process that the Secretariat would only raise a change proposal where it had been granted approval by either the SIG or the DCMDG, but the step which is missing is for preliminary due diligence to determine under what circumstances the Secretariat would raise a change proposal via the issues route. As such we recommend the Working Group discuss the following refinements to the process:</p> <p>a) defining the events which would trigger the Secretariat raising a Change Proposal via the issues route (for example where the Secretariat could raise a change without such approval ie at the Direction of the Authority).</p> <p>b) as discussed at the Q&A session organised by ElectraLink we agree that the point at which the Secretariat are able to recover costs is only from</p>	Yes, in principle. Agreed to explore both points raised in further detail.

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		the point the Change Proposal is tabled at the DCUSA Panel and subsequently enters the DCUSA Change Process with any preliminary work costs being at the discretion of ElectraLink and unrecoverable via DCUSA parties.	
MUA Group [DNO]	Non-Confidential	Yes. Raising a Change Proposal is only the first stage of the process. If approved by the Panel, all industry parties will be able to join the working group to ensure suitable industry input is obtained throughout the process.	Yes
National Grid Electricity Distribution [DNO]	Non-Confidential	Yes we believe the risks are mitigated. Especially when the new process is set alongside the already existing controls such as new CPs are brought to the minuted open session of the DCUSA Panel, working groups requiring 5 members before they can commence, open working group discussions, consultations, change reports, voting, Ofgem approval etc.	Yes
Northern Powergrid [DNO]	Non-Confidential	Yes.	Yes
UK Power Networks [DNO]	Non-Confidential	Yes.	Yes
Southern Electric Power Distribution & Scottish Hydro	Non-Confidential	Yes.	Yes

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Electric Power Distribution [DNO]			
SSE Generation [Generator]	Non-Confidential	<p>We appreciate the changes made in response to the responses to the first consultation, in particular the new proposed provisions for industry scrutiny of issues/potential change proposals identified by the Secretariat, via the SIG and DCMDG stakeholder forums. These provide a measure of accountability to and oversight by DCUSA parties (though less so by non-DCUSA party stakeholders).</p> <p>Whilst these provisions do go some way to mitigate the risks and issues identified during the first consultation, we believe that some risks remain – see our response to q.2.</p>	Not fully. Suggestions to elaborate on the voting process/discussion.
<p>Working Group Conclusions: 6 respondents believed the alternative approach mitigated any remaining risks.</p> <p>2 respondents partly believed that some of the risks were mitigated. One stating there needed to some elaboration on the voting process which is expanded on in a later question.</p> <p>The respondent other who partly supported the solution stated that defining the events which would trigger the Secretariat raising a Change Proposal via the issues route would be useful and also the Secretariat are able to recover costs is only from the point the Change Proposal is tabled at the DCUSA Panel and subsequently enters the DCUSA Change Process with any preliminary work costs being at the discretion of ElectraLink and unrecoverable via DCUSA parties. It was agree that further discussion was required on these two points.</p> <p>One respondent believed the new proposed solution still had outstanding risks but didn’t elaborate on what they were.</p>			

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Company	Confidential/ Anonymous	2. Do you believe there are any risks that are not mitigated by the above process? Please provide your rationale.	Working Group Comments
British Gas [Supplier]	Non- Confidential	<p>As stated in our previous consultation response we believe that only parties to the DCUSA should be able to raise changes.</p> <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> <p>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 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</p>	<p>First point requires further analysis. Point two around the code administrator having an unfair advantage(second para) has been raised by another respondent. Could be a useful test learn and pilot potentially =. The working group had a range of views on the second point as to whether there would be an unfair advantage to a code admin or whether the process was significant enough to warrant an advantage. Any incumbent who can raise DCPs could have an unfair advantage. Discussion to be reflected within the change report.</p>

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		Ofgem in raising change themselves. The ability to raise change beyond housekeeping / administrative change should remain beyond the scope of Code Administrators.	
Energy Assets Networks [IDNO]	Non-Confidential	No, we agree that all risks have been addressed.	Noted
ENWL [DNO]	Non-Confidential	Yes, refer to our response to Q1.	Refers to the risks raised in their response to Q1
MUA Group [DNO]	Non-Confidential	No, we believe having a Panel review any change proposals will create the same effect of a delegated Party member raising the request directly.	Noted
National Grid Electricity Distribution [DNO]	Non-Confidential	No.	Noted
Northern Powergrid [DNO]	Non-Confidential	No.	Noted
UK Power Networks [DNO]	Non-Confidential	No.	Noted

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Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	Yes – the availability of Secretariat staff with appropriate specialist knowledge to progress Secretariat sponsored CPs.	Highlights skills and resource issues within any potential code manager
SSE Generation [Generator]	Non-Confidential	<p><u>Scope of Secretariat powers</u></p> <p>In our first response, we were concerned about the Secretariat’s role in terms of raising DCUSA change proposals.</p> <p>Our preference continues to be that new Secretariat powers should be limited to being granted in the context of SCRs (where change proposals are directed by the Authority rather than developed by the Secretariat), as well as for housekeeping changes* and cross code consequential changes.</p> <p>* noting that this term would need defining; a starting point for a definition could be the criteria applied to the DCUSA Panel’s Housekeeping Log, and the definition in the Grid Code – Glossary – ‘Fast Track Criteria’.</p> <p>However, in light of the new proposed provisions for industry scrutiny of issues/potential change proposals identified by the Secretariat, via the SIG and DCMDG stakeholder forums and the express role of DCUSA parties, including a proposed voting process, we believe that our initial concerns have been largely addressed, subject to the points we make below being taken on board in respect of the voting process.</p> <p><u>Voting process</u></p>	The Working Group agreed that the suggest points would add value. It was noted that making the suggested amendments to the legal text would future proof the process and make it transparent on how a decision had been made and on what basis i.e. unanimous/majority verdict of the DCUSA parties. To be reviewed at a later stage as to how and where the amendments are required.

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		<p>Whilst we welcome the proposed voting process at the DCMDG and the SIG industry forums, we feel that this aspect of the proposal lacks detail, both in the consultation document and in the draft legal text.</p> <p>In order to accurately capture DCUSA parties’ views through the voting process (on whether the Secretariat should receive approval to raise a change proposal), we propose that</p> <ul style="list-style-type: none">a. votes must be 'expressly' given, by the (virtual) raising of hands at the relevant industry meeting – this will create transparency to the wider stakeholder community;b. counts are being recorded for votes ‘in favour’ and ‘not in favour’, as well as for abstentions;c. only expressly affirmative votes are counted towards the simple majority required for the Secretariat to raise a change proposal (but not abstentions). <p>These provisions should be spelt out in the legal text.</p>	
<p>Working Group Conclusions: 5 respondent raised no additional risks.</p> <p>Another respondent noted the risks highlighted in their response to Q1 and suggested these could be mitigated by defining the events which would trigger the Secretariat raising a Change Proposal and also that any preliminary work costs being at the discretion of ElectraLink and unrecoverable via DCUSA parties.</p>			

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Company	Confidential/ Anonymous	3. Can you think of any other risks and issues that the Working Group should consider? Please provide your rationale.	Working Group Comments
British Gas [Supplier]	Non-Confidential	N/A.	Noted
Energy Assets Networks [IDNO]	Non-Confidential	Not at this time.	Noted
ENWL [DNO]	Non-Confidential	No.	Noted
MUA Group [DNO]	Non-Confidential	No.	Noted
National Grid Electricity Distribution [DNO]	Non-Confidential	No.	Noted
Northern Powergrid [DNO]	Non-Confidential	No, we feel that any potential risks have been mitigated.	Noted
UK Power Networks [DNO]	Non-Confidential	See Q2.	Noted

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Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	No.	Noted
SSE Generation [Generator]	Non-Confidential	No comment.	Noted
Working Group Conclusions: No additional risks were raised.			

Company	Confidential/ Anonymous	<p>4. Do you consider that the proposal better facilitates the DCUSA General Objectives?</p> <p>If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons.</p> <p>If not, please provide supporting reasons.</p>	Working Group Comments
British Gas [Supplier]	Non-Confidential	We do not consider that DCUSA General Objective 4 is better facilitated by this change proposal.	None

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		<p>The working group has cited 4 inefficiencies below that this CP will reduce.</p> <ul style="list-style-type: none"> • the need for the Secretariat to locate a willing sponsor with the capacity to take on Change Proposals; • 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); • 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 • the delay in progressing Change Proposals to the Panel for referral to the change process. <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>	
Energy Assets Networks [IDNO]	Non-Confidential	We believe General Objective 4 is better facilitated by this CP as it is utilising the expertise and industry knowledge held within the secretariat and reduces time in e.g. finding a sponsor that would otherwise be needed such as housekeeping changes.	4
ENWL [DNO]	Non-Confidential	We believe that General Objective 4 ‘The promotion of efficiency in the implementation and administration of the DCUSA’ will be better facilitated by DCP 417 as it will enable the Secretariat following SIG or DCMDG	4

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		approval to raise change proposals, together with raising change proposals at the Direction of the Authority.	
MUA Group [DNO]	Non-Confidential	Yes, General Objective 4 is better facilitated by this change proposal.	4
National Grid Electricity Distribution [DNO]	Non-Confidential	General objective number 4.	4
Northern Powergrid [DNO]	Non-Confidential	We agree that DCUSA General Objective 4 is better facilitated by this Change. It will allow improved administration of the Change process and should assist in freeing up Industry time and resource.	4
UK Power Networks [DNO]	Non-Confidential	Yes Objective 4.	4
Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	Possibly. General Objective 4.	Tentative on 4

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SSE Generation [Generator]	Non-Confidential	In our response for the first consultation, we noted that the majority of the Working Group thought that the impact on all General Objectives bar the fourth (“The promotion of efficiency in the implementation and administration of the DCUSA”) would be neutral. We considered that the proposal would be likely to have a neutral impact on the fourth Objectives as well, because we were not convinced that in aggregate, the benefits cited are material. This is still our overall view.	None
<p>Working Group Conclusions: 6 respondents believe objective 4 is better facilitated.</p> <p>One respondent stated that objective 4 was possibly better facilitated.</p> <p>2 stated none of the DCUSA objectives were better facilitated.</p> <p>No respondent believed the CP had any negative impacts to any DCUSA objective.</p>			

Company	Confidential/ Anonymous	5. Do you have any comments on the proposed legal text?	Working Group Comments
British Gas [Supplier]	Non-Confidential	No comments.	None
Energy Assets Networks [IDNO]	Non-Confidential	No.	None

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ENWL [DNO]	Non-Confidential	<p>We believe the legal text will deliver the proposed solution described in the consultation document and understand that while ‘housekeeping’ issues are not specifically referred to these would still go through the SIG or DCMDG, so it would be useful to make this clear in the legal text. Additionally, we would ask whether the purpose of DCP 417 should have also been amended in line with the new solution?</p> <p>‘This change seeks to grant the ability to the Secretariat to raise Change Proposals <u>following SIG or DCMDG approval</u> where it identifies a change that would better facilitate the DCUSA Objectives and to introduce an obligation for the Secretariat to raise Change Proposals in certain circumstances, such as at the direction of the Authority’.</p>	Notes that the housekeeping could feed through the SIG. Does housekeeping need to be a defined term? The Working Group agreed this was a point for further discussion. Notes the proposal may need to be updated also.
MUA Group [DNO]	Non-Confidential	The quorum should include an IDNO representative.	States the quorum should include an IDNO representative. Discussion to be had as to whether this would add value or if the legal text should mirror the panel quorum rules as is currently proposed.
National Grid Electricity Distribution [DNO]	Non-Confidential	No.	None
Northern Powergrid	Non-Confidential	No, we are happy with the proposed legal text.	None

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[DNO]			
UK Power Networks [DNO]	Non-Confidential	<p>Changing the quoracy for the meetings could have the outcome that the meeting do not run (in the case of the SIG?). Is it not sufficient to change the requirements for a DCP to be raised –</p> <p><i>10.2B Change Proposals to be raised by the Secretariat require approval at the Standing Issues Group or Distribution Charging Methodologies Development Group. In order for the approval of the Change Proposal to be raised to be given at a meeting, a simple majority of not less than four Party representatives present at that meeting must vote in favour of that approval, at least one of whom must represent DNO Party and at least one of whom must represent a Supplier Party.</i></p>	<p>Highlights a risk that changing the quoracy may mean some meetings are unable to run as decisions cant be made. Believes the quoracy doesn't need to be updated for a DCP to be raised. The Working Group reviewed the suggested amendments alongside the proposed text in the second consultation and agreed further discussion was required on this topic. This will tie in with the IDNO discussion and the voting process description.</p>
Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	No.	None
SSE Generation [Generator]	Non-Confidential	<p>As per our response to q.2, we propose that in order to accurately capture DCUSA parties' views through the voting process (on whether the Secretariat should receive approval to raise a change proposal):</p>	<p>Believes votes should be expressed by the raising of hands (virtual if online) at relevant meetings where the secretariate is to raise a DCP. Counts are done on in favour, not in favour</p>

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		<p>a. votes are to be 'expressly' given, by the (virtual) raising of hands at the relevant industry meeting, and that the term 'express' is inserted before all occurrences of the word 'approval' (currently five times, across all three proposed paragraphs);</p> <p>b. counts are being recorded for votes 'in favour' and 'not in favour' as well as for abstentions;</p> <p>c. only expressly affirmative votes are counted towards the simple majority required for the Secretariat to raise a change proposal (but not abstentions).</p> <p>These provisions should be spelt out in the legal text.</p>	<p>and abstentions and expressly affirmative votes are counted towards the majority.</p> <p>States the above should be made clear within the legal text. As mention earlier for further discussion.</p>
<p>Working Group Conclusions: 5 respondents had nothing to add to this question.</p> <p>One respondent stated that 'housekeeping may need to be a defined term' another raised that the quorum should include a IDNO. Another responder however believed that having to many parties mentioned for the quorum within the legal text could led to meetings being cancelled. It was agreed further discussion to be had as to whether this would add value or if the legal text should mirror the panel quorum rules as is currently proposed.</p> <p>There was also some additional legal text provided by a respondent which the Working Group felt was clearer than the current drafted text but the Working Group agreed this would also be a discussion point.</p> <p>In relation to the comments raised stating the voting process should be set out within the legal text and suggested how the voting process should work, the Working Group agreed with this and that this would be another point for further discussion.</p>			

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Company	Confidential/ Anonymous	6. Do you have any other comments on DCP 417?	Working Group Comments
British Gas [Supplier]	Non- Confidential	N/A.	Noted
Energy Assets Networks [IDNO]	Non- Confidential	No.	Noted
ENWL [DNO]	Non- Confidential	As highlighted in the first consultation, Ofgem’s Energy Code Reform SCR will replace code administrators and code panels with a class of newly licensed code manager, so there could be consequential changes to the DCUSA change process. In the event code reform disbands the SIG and DCMDG consequential changes would need to be made to enable the Secretariat to raise a Change Proposal.	Noted
MUA Group [DNO]	Non- Confidential	The Secretariat has a wealth of knowledge and understanding of the full industry which can be utilised to identify issues that are noted in Working Groups and forums. They are well placed to raise proposals that may not be deemed to provide enough benefit for Party members to dedicate the time to raise themselves i.e. housekeeping.	Noted
National Grid Electricity Distribution [DNO]	Non- Confidential	No.	Noted

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Northern Powergrid [DNO]	Non-Confidential	No.	Noted
UK Power Networks [DNO]	Non-Confidential	<p>If the DCP goes to a working group, what influence does the Secretariat as proposer have in that process, given the identified risk in the table at 5.12 of the consultation around lack of expertise?</p> <p>For example, at present two alternate solutions are allowed, meaning three Party led outcomes can be voted on (one being the proposer’s), but this will reduce that to two Party led solutions alongside the secretariat’s “industry” solution.</p> <p>CACOP principle 6 states “A proposer of a Modification will retain ownership of the detail of their solution”. Where a DCP has been raised by the Secretariat, seemingly because no Party wishes to own it, how do they determine that the solution as developed by the Working Group continues to reflect the “industry agreement” required for raising it.</p>	One for further discussion. The Working Group believe that a UKPN representative would add real value on this discussion.
Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	No.	Noted

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SSE Generation [Generator]	Non- Confidential	No comment.	Noted
Working Group Conclusions: There were no comments raised in this question that hadn’t been raised within a previous question. One respondent stated that ‘housekeeping may need to be a defined term’ another raised that the quorum should include a DNO,			