




DCUSA Consultation		At what stage is this document in the process?
<h1>DCP 417:</h1> <h2>Ability for the DCUSA Secretariat to Raise Change Proposals</h2> <p><i>Date raised: 16 November 2022</i></p> <p><i>Proposer Name: Simon Yeo</i></p> <p><i>Company Name: National Grid Electricity Distribution</i></p> <p><i>Company Category: DNO</i></p>		01 – Change Proposal
		02 – Consultation
		03 – Change Report
		04 – Change Declaration
Purpose of Change Proposal (CP): This change seeks to grant the ability to the Secretariat to raise Change Proposals 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>This document is a Consultation issued to DCUSA Parties and any other interested parties in accordance with Clause 11.14 of the DCUSA seeking industry views on DCP 417 'Secretariat to Raise Change Proposals'.</p> <p>Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by 02 June 2023.</p> <p>The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the Change Proposal (CP).</p>	
	Impacted Parties: Suppliers / DNOs / IDNOs / CVA Registrants / Gas Suppliers / OTSO Party	
	Impacted Clauses: Amendments to Section 1C – Clause 9.4.6, Clause 10.2, Clause 10.11 and new Clauses (10.2A, 10.2B and 10.2C, as currently drafted in this Proposal.)	

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Any questions?

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Timetable

The timetable for the progression of the CP is as follows:

Change Proposal timetable

Activity	Date
Initial Assessment Report	21 December 2022
Consultation Issued to Industry Participants	05 May 2023
Change Report Approved by Panel	19 July 2023
Change Report issued for Voting	21 July 2023
Party Voting Closes	11 August 2023
Change Declaration Issued to the Authority	15 August 2023
Authority Decision	TBC
Implementation	Next DCUSA release following Authority approval

1 Summary

What?

- 1.1 The Secretariat employs individuals with a broad array of knowledge from the industry. It is currently unable to proactively take full advantage of this knowledge as it cannot raise Change Proposals itself. Where the Secretariat currently identifies a potential change that would better facilitate the DCUSA Objectives, it must expend time and resources engaging with industry colleagues to find a sponsor who is willing and able to take on sponsorship of the Change Proposal. This could result in a lot of time and resource spent searching for a sponsor, which could better be used adding value to new and existing Change Proposals, and could result in a loss of opportunities to raise changes that could have better facilitated the DCUSA Objectives.

Why?

- 1.2 The Secretariat could deliver additional value in its role as Code Administrator of the DCUSA by using the skills and knowledge of its employees to identify opportunities for changes that better facilitate the DCUSA Objectives and raising Change Proposals itself to progress these changes, rather than expending time and resources trying to find a sponsor with the capacity to take sponsorship of an issue.
- 1.3 There may be a need for changes to be made to the DCUSA that could be better raised and progressed by the Secretariat, acting as an impartial body similar to its current role as the industry's "critical friend".
- 1.4 The Secretariat could also progress changes where other priorities have prevented sponsors from taking on and progressing certain changes. For example, Change Proposals that have stalled due to other priority changes, such as during changes resulting from a Significant Code Review.

How?

- 1.5 This proposal seeks to grant the ability to the Secretariat to raise Change Proposals. A Working Group should be established to develop this CP further and to engage with industry to ensure that an appropriate solution is put in place.

2 Governance

Justification for Part 1 Matter

- 2.1 This proposal seeks to grant the ability to the Secretariat to raise Change Proposals, which is a change to the change control arrangements for the DCUSA. As per DCUSA Schedule 9 Paragraph 9.4.5, “it concerns the governance or the change control arrangements applying to this Agreement”, this would be categorised as a Part 1 Matter.

Requested Next Steps

- 2.2 Following a review of the Consultation responses, the Working Group will work to agree the final detail of the solution for this CP and if appropriate progress to the Change Report phase.

3 Why Change?

Background of DCP 417

- 3.1 This change is required to enable the Secretariat to deliver additional value in its role as Code Administrator of the DCUSA by utilising the skills and knowledge it has developed to help drive improvements that better facilitate the DCUSA Objectives.
- 3.2 If this change was not approved, the Secretariat would continue to be unable to fully utilise the skills and knowledge of its employees and could result in opportunities for potential changes that would have otherwise better facilitated the DCUSA Objectives not being raised.
- 3.3 In thinking about potential solutions, potential risks of granting the new powers have been considered. This was partly because SECAS, the code administrator for the Smart Energy Code, had twice tried to request additional powers as code administrator to enable it to raise change proposals itself, with each proposal being rejected by Ofgem. The Working Group noted the rejection reasons for each proposal, SECMP88 and SECMP149 and carried out an analysis against each of these.
- 3.4 One option considered was to impose limitations which could include, for example, requiring the Secretariat to not raise Change Proposals on behalf of other Parties or to not raise Change Proposals relating to certain topics, such as charging.

¹ <https://smartenergycodecompany.co.uk/modifications/power-to-raise-modifications/>

² <https://smartenergycodecompany.co.uk/modifications/effecting-changes-to-the-smart-energy-code-efficiently/>

- 3.5 It was considered whether the requirement to gain Panel approval for all Change Proposals raised by the Secretariat would mitigate any potential risk associated with the Secretariat raising Change Proposals, albeit current Panel powers to reject a new Change Proposal are very limited, and so another option considered was to strengthen these powers.
- 3.6 However, the Secretariat's performance in raising valid and beneficial Change Proposals will be both transparent and measurable (in the same way as is the case for all other Change Proposals), and this might be sufficient to mitigate for the potential risk of misuse of the new Secretariat powers.

Question 1: Do you understand the intent of DCP 417?

Question 2: Are you supportive of the principles of DCP 417?

4 DCP 417 Working Group Assessment

Introduction

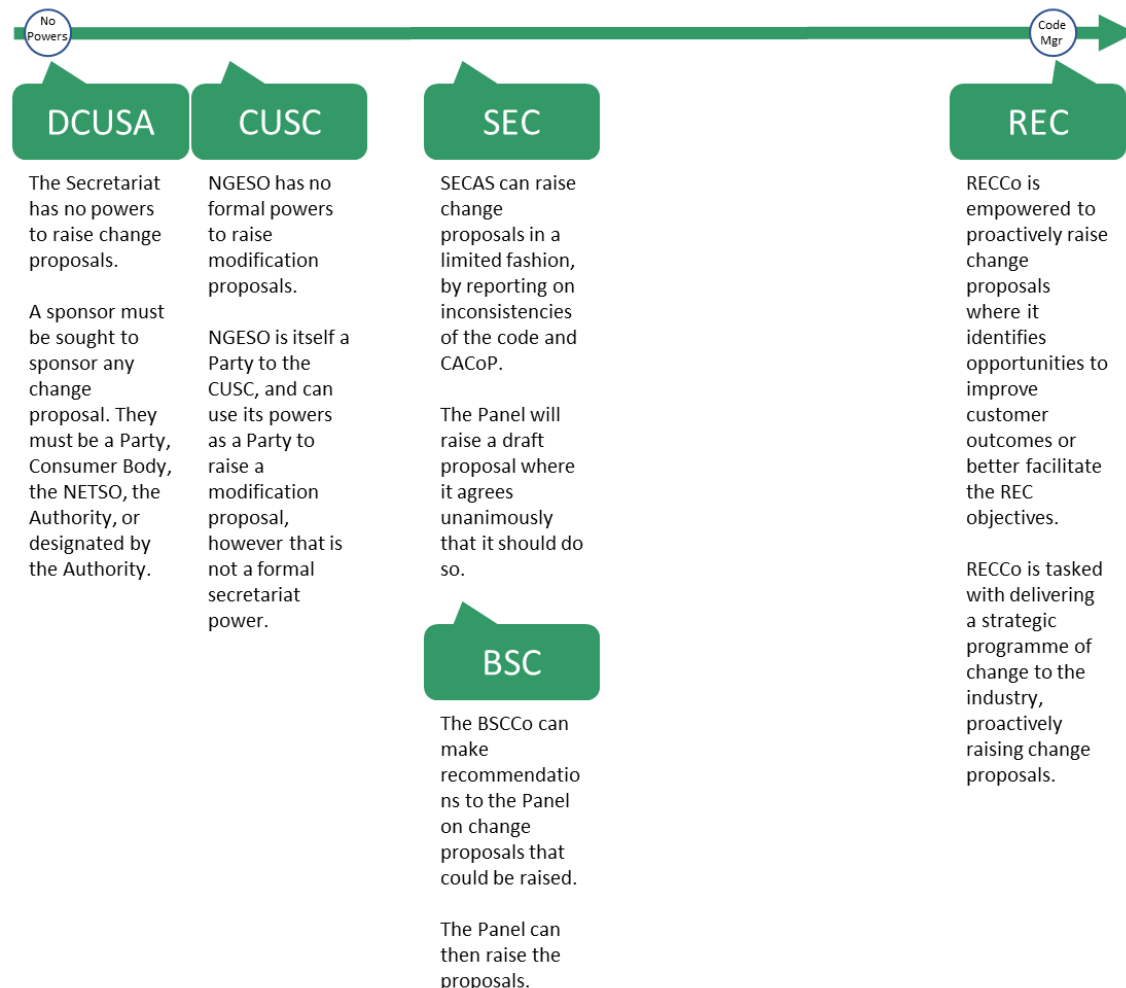
- 4.1 The DCUSA Panel established a Working Group to assess this CP. This Working Group consists of Supplier, DNO, IDNO and Generator representatives. There was also an Ofgem observer present on the Working group. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.

Existing Governance Arrangements

- 4.2 The Working Group agreed it would be beneficial to review the other code administrators and code managers to understand the array of abilities they have in the industry. The powers ranged from no powers to raise change proposals at all, as is the case for the DCUSA Secretariat, to the ability to raise change proposals proactively in line with strategic aims, as is the case for the REC code manager, with most of the codes falling more closely to the DCUSA position than the REC position. The below table and image summarise this analysis.

Code	Administrator/Manager Powers
DCUSA	The Secretariat has no powers to raise change proposals. A sponsor must be sought to sponsor any change proposal. They must be a Party, Consumer Body, the NETSO, the Authority, or designated by the Authority.
CUSC	National Grid Electricity System Operator (NGESO) has no formal powers to raise modification proposals. NGESO is itself a Party to the CUSC, and can use its powers as a Party to raise a modification proposal, however that is not a formal secretariat power.
SEC	The Smart Energy Code Administrator and Secretariat (SECAS) can raise change proposals in a limited fashion, by reporting on inconsistencies of the code and CACoP. The Panel will raise a draft proposal where it agrees unanimously that it should do so.

BSC	The Balancing and Settlement Code Company (BSCCo) can make recommendations to the Panel on change proposals that could be raised. The Panel can then raise the change proposals.
REC	The Retail Energy Code Company (RECCo) is empowered to proactively raise change proposals where it identifies opportunities to improve customer outcomes or better facilitate the REC objectives. RECCo is tasked with delivering a strategic programme of change to the industry, proactively raising change proposals.



Overview of Proposed Solution

- 4.3 The Proposer informed the Working Group that their desired solution is one where the DCUSA Secretariat can raise changes following the same process as existing DCUSA Parties. The Proposer believed that this CP would aid efficiency, in that people close to the code (i.e., the DCUSA Secretariat) would bring forward code improvements that weren't necessarily seen by others, or that others don't have time to process. They also believed this CP would help innovation with input on CPs from a new party, bringing a fresh perspective, and help to motivate and increase the skills and knowledge of the DCUSA Secretariat personnel, which in turn would be of benefit to the code more generally.

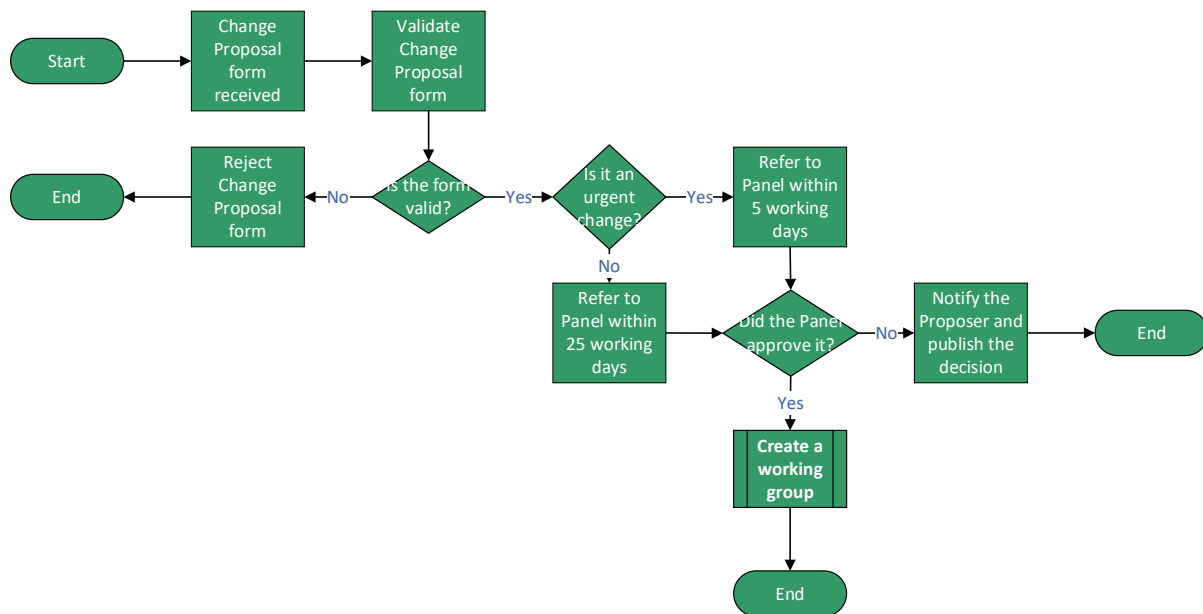
- 4.4 The Working Group also discussed variations of the Proposers solution such as only being able to raise CPs in limited situations (such as consequential and housekeeping changes or to better facilitate specific DCUSA objectives only) and/ or the Panel having additional powers to reject a Secretariat raised CP, above the very limited powers that currently exists in DCUSA.

Overview of the current DCUSA change process

There are five phases:

Initial assessment phase

- 4.5 The current process for CPs to be raised is shown in the diagram below:



- 4.6 Every CP is put before the Panel so that they can determine the most appropriate progression route, of which the following choices exist:

- Determine whether to accept or reject the CP. The DCUSA Panel can reject a CP if it believes that the proposal has substantively the same effect as another CP which is still active or which was rejected within the last two months.
- If accepted, determine whether the CP should progress to the Definition phase or straight to Change Report. The Panel shall only determine that a CP should not progress to the Definition phase if it is deemed insubstantial in nature and unlikely to be the subject of significant controversy between the Parties.
- Determine whether the CP should be treated as a Part 1 or Part 2 matter. For Part 1 matters the Authority makes the final decision on whether the CP should be implemented or not. Part 2 matters are self-governed. Clause 9.4 and 9.5 of DCUSA provides the criteria for Part 1 and Part 2 CPs.

Definition phase

- 4.7 Where CPs are progressed to the Definition phase a Working Group will be established. All DCUSA Parties, the Authority and any other industry participant deemed appropriate will receive

an invitation to join the Working Group. For the Definition phase to commence the Working Group must consist of at least five individuals who each have relevant experience and expertise in relation to the subject matter of the CP and whose backgrounds are broadly representative of the persons likely to be affected by the proposed variation to the Agreement.

- 4.8 The Working Group will develop further the proposed solution and conduct tasks such as industry consultations.

Change Report phase

- 4.9 The product of the Working Group is a written report (Change Report), detailing the proposed solution, DCUSA legal text and the Working Group analysis. The Change Report is subsequently submitted to the DCUSA Panel for approval to progress to the voting stage. Where the Panel believes there is additional work required, they may send it back to the Working Group for further consideration.

Voting phase

- 4.10 Once the Panel has approved the Change Report, it is issued to all impacted DCUSA Parties for voting. Parties vote separately on whether they accept or reject the proposed solution and the proposed implementation date. They also provide commentary on whether they believe it better facilitates the DCUSA objectives and have an opportunity to provide any other comments.
- 4.11 The outcome of Party voting for a Part 1 matter acts as a recommendation to Ofgem to accept the change proposal, requiring a vote to accept of greater than 50% of eligible Party votes to be taken as a recommendation. Part 2 matters are self-governed and therefore the outcome of the Party votes acts as the decision. For Part 2 matters to be accepted, greater than 65% of the eligible voting Parties must accept the change.

Change Declaration phase

- 4.12 The Change Declaration contains much of the content from the Change Report, with an additional section detailing the outcome of Party voting. The Change Declaration is issued to all DCUSA Parties, the Authority and other interested industry parties. For Part 1 matters the Change Declaration will state that the CP is with Authority for decision and for Part 2 matters will state whether the CP was accepted or rejected and if accepted, when it is due to be implemented.

Potential Benefits of the proposed solution

- 4.13 As stated above, the proposed solution is for the DCUSA Secretariat to follow the same process when raising CPs. The Working Group discussed the potential benefits that could be gained if the Secretariat was able to raise Change Proposals:

- 4.13.1 it would allow the easier co-ordination and management of future SCRs or other large programmes of change;

- 4.13.2 it would allow for greater consistency of approach in progressing future SCR or other large-scale changes, as a result of being managed centrally by the Secretariat;
- 4.13.3 it would ensure impartiality, and increase perceived impartiality, for managing Change Proposals;
- 4.13.4 it 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;
- 4.13.5 the Secretariat could raise Change Proposals as directed by the Authority;
- 4.13.6 the Secretariat could raise Change Proposals for housekeeping changes;
- 4.13.7 the Secretariat could raise Change Proposals for consequential changes as a result of Cross Code Steering group discussions;
- 4.13.8 there would no longer be a need to identify and approach potential sponsors of changes, which can be a time-consuming exercise;
- 4.13.9 the Secretariat would be able to utilise the expertise and experience of its employees to identify and raise Change Proposals that it identifies could better facilitate the DCUSA objectives;
- 4.13.10 it will further develop the Secretariat's own abilities, as it provides training to its employees, and attracts new talent, to support the use of the new abilities granted under this CP; and
- 4.13.11 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.

Question 3: Do you agree with the list of potential benefits?

Question 4: Do you consider that there are other benefits of allowing the DCUSA Secretariat to raise Change Proposals?

Previous Smart Energy Code Modifications and Ofgem's Decision

- 4.14 The Working Group noted that SECAS, the code administrator for the Smart Energy Code, had twice tried to request additional powers as code administrator to enable it to raise change proposals itself, with each proposal being rejected by Ofgem. The Working Group noted the rejection reasons for each proposal, SECMP88 and SECMP149, which were as follows:

- 4.14.1 there was insufficient evidence that the current arrangements block the efficient progression of modifications or that the proposed solution resulted in net benefits to consumers;
- 4.14.2 there was insufficient evidence of what the impact of the proposed solution would be, or how or when the powers would be used;
- 4.14.3 the proposed solution did not include any new responsibilities or accountability mechanisms that could sit alongside the ability to raise change proposals;
- 4.14.4 there was a risk that change proposals could be raised without the support or consideration of industry;
- 4.14.5 there was a significant cost associated with the implementation of the change proposal (£1,200) and it was unclear what the ongoing costs would be;
- 4.14.6 there was a risk that the increased workload associated with raising change proposals could result in increased expenditure that could outweigh the benefits of the proposed solution; and
- 4.14.7 while assurance was given about the creation of guidance on how the new arrangements would work, this was not provided, no detail about what it would contain was provided, and the maintenance of the guidance would be outside the formal change process.

Working Group Risk Analysis

- 4.15 The Working Group were asked for initial thoughts on potential risks associated with the Change Proposal and identified the following:
 - 4.15.1 the Secretariat could raise Change Proposals to change or enhance its own abilities;
 - 4.15.2 the Secretariat could raise Change Proposals for subjects where it lacks the expertise to do so;
 - 4.15.3 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;
 - 4.15.4 the Secretariat could add significant costs onto industry by raising Change Proposals;
 - 4.15.5 the Secretariat could create its own work for which it would get paid;
 - 4.15.6 the Secretariat could be marking its own work at certain points in the process;
 - 4.15.7 it could be difficult to monitor or assess the Secretariat's performance in raising good quality Change Proposals that genuinely better facilitate the DCUSA Objectives; and

4.15.8 the Panel would, under current DCUSA legal text, have limited ability to reject any Change Proposals raised by the Secretariat.

Question 5: Can you think of any other risks of allowing the DCUSA Secretariat to raise Change Proposals?

Review of risks against solution and mitigations

4.16 Following the initial task of reviewing potential risks, the Working Group reviewed these perceived risks against the current proposed solution (i.e., following the same process as existing DCUSA Parties) to determine whether:

- the risk is already mitigated against;
- the risk is of minimal nature; or
- further mitigation is needed.

4.17 The Working Group analysis can be found in the following table (which includes the risks identified by Ofgem in its decision letters for SECMP88 and SECMP149):

Risk/ Concern	Mitigated in DCUSA (majority Working Group view)	Relevant DCUSA Clauses	Commentary
Ofgem identified risks/ concerns			
1. There was insufficient evidence that the current arrangements block the efficient progression of modifications or that the proposed solution resulted in net benefits to consumers;	N/A		Working Group analysis of potential benefits details in Section 4.13
2. There was insufficient evidence of what the impact of the proposed solution would be, or how or when the powers would be used;	N/A		<ul style="list-style-type: none"> • It was noted that CP and Working Group engagement can often be from a similar set of DCUSA Parties, so an additional Party (in the form of the Secretariat) could improve engagement or bring new ideas. • The Secretariat would only raise a CP where the proposal could justify that it would better facilitate the DCUSA general or charging objectives. • It was noted that limiting the scope in regard to what a Secretariat can raise, for example, to consequential or housekeeping changes would reduce the benefits. • All changes raised will be discussed in open governance. Secretariat's performance, or poor behaviour, would be visible and would be challenged, such as by the Panel, in the Working Groups, during a consultation and during voting. In the consultation and voting stages of the Change Proposal, Parties would be passing comment on the Change Proposal. In the voting stage, Parties would be able to add any comments at that stage, which Ofgem has visibility of during its decision making.

			<ul style="list-style-type: none"> The Working Group discussed that any material change will form a Working Group and have industry engagement throughout the development of any solution, as follows: <ul style="list-style-type: none"> Any material change raised by the Secretariat would be a Part 1 matter, which means that ultimately Ofgem makes the final decision on whether to accept the change proposal. The outcome of Party voting for a part 1 matter acts as a recommendation to Ofgem to accept the change proposal, requiring a vote to accept of greater than 50% of eligible Party votes to be taken as a recommendation. Part 2 matters are self-governed and therefore the outcome of the Party votes acts as the decision. It was noted that for Part 2 matters to be accepted, greater than 65% of the eligible voting Parties must accept the change. For a Party category to be deemed as accept the change proposal, the number of votes in favour of accepting the change proposal received from Parties within that category must be greater than 65%. It was discussed that only CPs that are deemed to be insubstantial in nature would skip the Definition phase (i.e., not require a Working Group to be formed).
3. The proposed solution did not include any new responsibilities or accountability mechanisms that could sit alongside the ability to raise change proposals	Yes	<u>Clauses</u> 9.4 to 9.5 10.11 to 10.17 11.1 to 11.28 12.1 to 12.17 13.1 to 13.22	As noted above, all changes raised will be discussed in open governance and minutes will be published on the DCUSA website. It was also noted that the existing process provides numerous opportunities for industry engagement such as Working Group participation, consultation, voting. All these aspects are fully transparent and published on the DCUSA website. A majority of the Working

			<p>Group felt that this appropriately ensures accountability as industry would have full view of the process from start to finish.</p> <p>Ultimately, a CP would not enter the change process if it was deemed not to better facilitate the DCUSA objectives and any poor behaviour from a Secretariat could, at worst, result in loss of the contract. The Working Group discussed that this is a significant sanction.</p>
4. There was a risk that change proposals could be raised without the support or consideration of industry	Yes	<u>Clauses</u> 9.4 and 9.5 10.11 to 10.17 11.1 to 11.28 12.1 to 12.17 13.1 to 13.22	<p>As noted above, as a minimum the Panel will initially determine whether it will better facilitate DCUSA objectives, and any material change will result in the formation of a Working Group and all of the engagement detailed above. Industry would have opportunities to provide their feedback through Working Group participation, consultations, and voting.</p> <p>As noted above, only changes that are deemed insubstantial in nature would avoid the Working Group phase but even these changes are voted on by impacted DCUSA Parties.</p>
5. There was a significant cost associated with the implementation of the change proposal (£1,200) and it was unclear what the ongoing costs would be	N/A		<p>ElectraLink (the existing DCUSA Secretariat) have confirmed that there will be no costs passed on to for the consideration and drafting of a CP to industry. Once a Secretariat raised CP is approved by the DCUSA Panel to enter the DCUSA change process it will be costed for identical to a CP raised by an existing DCUSA Party.</p> <p>The existing DCUSA contract has a quota of CPs and Working Groups that can occur before any additional costs are occurred. There has only been one</p>

			<p>occasion whether this threshold was exceeded, and this was due to the Access SCR and significant number of Working Groups that were needed.</p> <p>It was noted that if a Secretariat was deliberately raising CPs purely for financial gain this would likely see only a short-term benefit but suffer long term consequences, in terms of its reputation in industry and the likelihood of contract renewal reducing.</p>
6. There was a risk that the increased workload associated with raising change proposals could result in increased expenditure that could outweigh the benefits of the proposed solution	N/A		From a DCUSA Secretariat perspective, there would only be additional costs if the CP and Working Group quota is exceeded. Further details of how this could be mitigated is detailed in Sections 4.20 to 4.22.
7. While assurance was given about the creation of guidance on how the new arrangements would work, this was not provided, no detail about what it would contain was provided, and the maintenance of the guidance would be outside the formal change process	Yes	New proposed legal text (Attachment 2)	The DCUSA document (legal text) will contain the process for which the Secretariat can raise CPs.
Working Group identified risks			

8. The Secretariat could raise Change Proposals to change or enhance its own abilities	Yes	Similar to clauses named above but particular focus on Clause 11.15.	<p>As detailed above, all changes raised will be discussed in open governance. Any CP raised of this nature would likely be challenged by industry and would be a reputational risk to the Secretariat. It should also be noted that a CP of such nature would be a Part 1 matter and ultimately the final decision would sit with Ofgem. A majority of the Working Group believed this to be a low risk.</p> <p>It should also be noted that where a CP is progressed to a Working Group, it should consist of at least five individuals who each have relevant experience and expertise in relation to the subject matter of the CP and whose backgrounds are broadly representative of the persons likely to be affected by the proposed variation to the Agreement. If this criteria is not met the CP cannot proceed.</p>
9. The Secretariat could raise Change Proposals for subjects where it lacks the expertise to do so	Yes	Similar to clauses named above but particular focus on Clause 11.15.	<p>It is deemed unlikely that a Secretariat would raise a CP where it lacked the knowledge or expertise to do so. The initial consideration of raising a CP is likely to come from some prior experience.</p> <p>As noted above any material change will progress to a Working Group where there needs to be a minimum of five industry participants and all CPs are voted on by impacted DCUSA Parties.</p>
10. 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	Yes	<u>Clauses</u> 11.10 to 11.13	<p>The timetable for each CP should be discussed and agreed at the Panel meeting where the CP is initially tabled. Any subsequent changes to a CP timetable need to be presented and agreed at the Panel. A majority of the Working Group feel that this process would be sufficient and that any continuous delays in CP progression would again be a reputational risk for any Secretariat.</p> <p>Change proposals can be raised as urgent and subject to Panel approval enter the Definition/ or Change Report phase within five working days. The pace of the</p>

			development of a solution, whether a proposal is urgent or otherwise, is determined by the members of the Working Group. The only exception to the normal Working Group timescales is at the direction of the Authority.
11. The Secretariat could add significant costs onto industry by raising Change Proposals	Yes		As stated above, from a DCUSA Secretariat perspective, there would only be additional costs if the CP and Working Group quota is exceeded. Further details of how this could be mitigated is detailed in Sections 4.20 to 4.22.
12. The Secretariat could create its own work for which it would get paid	Yes		As above.
13. The Secretariat could be marking its own work at certain points in the process	Yes		As detailed above, all changes raised will be discussed in open governance. There will be numerous opportunities for appropriate industry engagement.
14. It could be difficult to monitor or assess the Secretariat's performance in raising good quality Change Proposals that genuinely better facilitate the DCUSA Objectives	Yes	Clauses 9.4 and 9.5 10.11 to 10.17 11.1 to 11.28 12.1 to 12.17 13.1 to 13.22	Similar to above, all changes raised will be discussed in open governance and published on the website. All Working Group meetings are also minuted and published on the DCUSA website. Any material change will also be subject to industry consultation and all CPs are voted on by impacted DCUSA Parties.
15. The Panel would, under current DCUSA legal text, have limited ability to reject any Change	Yes	Clause 11.15	A majority of the Working Group believe this to be a minimal risk as there would be a reputational risk for the Secretariat to raise CPs which were not appropriate and equally a CP not supported by industry would likely struggle to progress if the quoracy of five Working Group members is not met.

Proposals raised by the Secretariat			
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- 4.18 The Working Group reviewed the analysis above and four of the six Working Group members believe that all the concerns above are either mitigated against within the existing DCUSA governance or are unlikely to materialise. One Working Group member believed there needed to be powers provided to the Panel in relation to rejecting a Secretariat raised change and one member felt that mitigations needed to go further such as an ability for the Panel to prioritise CPs in order to optimise industry and Secretariat resources, similar to the prioritisation powers the CUSC Panel has (CUSC 8.19E).

Question 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.

Question 7: Are there any other mitigations in the existing DCUSA legal text that the Working Group should consider?

Question 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.

- 4.19 Taken the majority Working group view it was deemed that following the above analysis there were one area that required further attention as below:

- Risk of additional costs to industry

Costs of implementation

- 4.20 As noted above, ElectraLink (the existing DCUSA Secretariat) has confirmed that there will be no costs passed on to industry for the consideration and drafting of a CP. Once a Secretariat raised CP is approved by the DCUSA Panel to enter the DCUSA change process, it will be costed in the same way as a CP raised by any existing DCUSA Party.
- 4.21 The Working Group discussed that the existing DCUSA contract has a quota of CPs and Working Groups that can occur before any additional costs are occurred by industry. It was noted there has only been one occasion when this threshold was exceeded, which was due to the Access SCR and the significant number of Working Groups that were needed.
- 4.22 It was also discussed that the ElectraLink contractual performance is reported on at each monthly DCUSA Panel meeting. This details performance of all KPIs and includes the numbers of CPs raised to date and the number of Working Group meetings held to date. It uses these statistics to provide a forecast of whether the contractual agreement is likely to be exceeded or not. One mitigation discussed by the Working Group is that the Panel could have the option to defer the progression of a Secretariat raised change if the trajectory, or CPs and Working Groups at the point of the CP being raised, was indicating that the contractual agreement would be exceeded. Therefore, industry could be assured that no additional costs will be placed on industry unless, after review, the Panel determined that the benefits of the CP being raised outweighed the additional costs.

Question 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 annual allocation for all DCUSA Change Proposals, unless the benefits outweigh these additional costs?

5 Assessment Against the DCUSA Objectives

5.1 For a DCUSA CP to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives. DCP 417 will be measured against the DCUSA General Objectives, which are set out in the table below:

	DCUSA General Objectives	Identified impact
<input type="checkbox"/>	1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks	Neutral
<input type="checkbox"/>	2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity	Neutral
<input type="checkbox"/>	3. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences	Neutral
<input checked="" type="checkbox"/>	4. The promotion of efficiency in the implementation and administration of the DCUSA	Positive
<input type="checkbox"/>	5. Compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	Neutral

5.2 The majority of the Working Group members consider that granting the Secretariat the ability to raise Change Proposals will result in benefits to DCUSA General Objective 4, 'The promotion of efficiency in the implementation and administration of the DCUSA', by removing barriers and resource intensive activities that are undertaken only to satisfy current limitations in the DCUSA. The inefficiencies that could be reduced include:

- 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.

Question 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.

6 Impacts & Other Considerations

Significant Code Review (SCR) or other significant industry change projects

6.1 No impacts have been identified.

Cross Code Impacts

BSC.....	<input type="checkbox"/>	REC.....	<input type="checkbox"/>	Distribution Code..	<input type="checkbox"/>
CUSC.....	<input type="checkbox"/>	SEC.....	<input type="checkbox"/>	Grid Code.....	<input type="checkbox"/>
None.....	<input checked="" type="checkbox"/>				

Consideration of Wider Industry Impacts

6.2 It is not considered that there are any wider impacts because of this CP nor any that will impact upon this CP.

Question 11: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

7 Implementation

7.1 It is proposed that should this CP be approved, that it should be implemented in the next scheduled DCUSA release following any such approval.

8 Legal Text

Legal Text

8.1 Please find the proposed, red-lined legal text in attachment 2 to this CP. It should be noted that this text is to be further refined and agreed upon by a Working Group during the Definition phase.

Text Commentary

8.2 The following clauses have been suggested to be either added or modified:

- Clauses 9.4.6, 10.2.4 and 10.2.5 have been modified to reflect the ability for the Secretariat to raise Change Proposals;
- Clause 10.2.6 has been added to reflect the ability for the Secretariat to raise Change Proposals; and
- Clause 10.2A has been added to require the Secretariat to, as far as it is reasonably able, determine that the proposed variation of the DCUSA would better facilitate the DCUSA Objectives.

Question 12: Do you have any comments on the proposed legal text?

Question 13: Do you have any other comments on DCP 417?

9 Code Specific Matters

Reference Documents

9.1 Not applicable.

10 Consultation Questions

10.1 The Working Group is seeking industry views on the following consultation questions:

No.	Questions
1	Do you understand the intent of DCP 417?
2	Are you supportive of the principles of DCP 417?
3	Do you agree with the list of potential benefits?
4	Do you consider that there are other benefits of allowing the DCUSA Secretariat to raise Change Proposals?
5	Can you think of any other risks of allowing the DCUSA Secretariat to raise Change Proposals?
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.
7	Are there any other mitigations in the existing DCUSA legal text that the Working Group should consider?
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

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 annual allocation for all DCUSA Change Proposals, unless the benefits outweigh these additional costs?
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.
11	Are you aware of any wider industry developments that may impact upon or be impacted by this CP?
12	Do you have any comments on the proposed legal text?
13	Do you have any other comments on DCP 417?

10.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk no later than, **02 June 2023**.

10.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

11 Attachments

- Attachment 1: DCP 417 Consultation Response Form
- Attachment 2: DCP 417 Draft Legal Text
- Attachment 3: DCP 417 Change Proposal Form