

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.	
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.	
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>	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

		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.	
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.	
Northern Powergrid [DNO]	Non-Confidential	Yes.	
UK Power Networks [DNO]	Non-Confidential	Yes.	
Southern Electric Power Distribution & Scottish Hydro	Non-Confidential	Yes.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

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>	
Working Group Conclusions:			

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	As stated in our previous consultation response we believe that only parties to the DCUSA should be able to raise changes.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

		<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 Ofgem in raising change themselves. The ability to raise change beyond housekeeping / administrative change should remain beyond the scope of Code Administrators.</p>	
Energy Assets Networks [IDNO]	Non-Confidential	No, we agree that all risks have been addressed.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

ENWL [DNO]	Non-Confidential	Yes, refer to our 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.	
National Grid Electricity Distribution [DNO]	Non-Confidential	No.	
Northern Powergrid [DNO]	Non-Confidential	No.	
UK Power Networks [DNO]	Non-Confidential	No.	
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.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

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> <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>	
-------------------------------	------------------	--	--

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

		<p>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;</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>	
Working Group Conclusions:			

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.	
Energy Assets Networks [IDNO]	Non-Confidential	Not at this time.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

ENWL [DNO]	Non-Confidential	No.	
MUA Group [DNO]	Non-Confidential	No.	
National Grid Electricity Distribution [DNO]	Non-Confidential	No.	
Northern Powergrid [DNO]	Non-Confidential	No, we feel that any potential risks have been mitigated.	
UK Power Networks [DNO]	Non-Confidential	See Q2.	
Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	No.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

SSE Generation [Generator]	Non-Confidential	No comment.	
Working Group Conclusions:			

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	<p>We do not consider that DCUSA General Objective 4 is better facilitated by this change proposal.</p> <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); 	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

		<ul style="list-style-type: none">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); andthe 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.	
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 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.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

National Grid Electricity Distribution [DNO]	Non-Confidential	General objective number 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.	
UK Power Networks [DNO]	Non-Confidential	Yes Objective 4.	
Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	Possibly. General Objective 4.	
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.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

Working Group Conclusions:

Company	Confidential/ Anonymous	5. Do you have any comments on the proposed legal text?	Working Group Comments
British Gas [Supplier]	Non- Confidential	No comments.	
Energy Assets Networks [IDNO]	Non- Confidential	No.	
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>	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

MUA Group [DNO]	Non-Confidential	The quorum should include an IDNO representative.	
National Grid Electricity Distribution [DNO]	Non-Confidential	No.	
Northern Powergrid [DNO]	Non-Confidential	No, we are happy with the proposed legal text.	
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>	
Southern Electric Power	Non-Confidential	No.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

Distribution & Scottish Hydro Electric Power Distribution [DNO]			
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>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>	
Working Group Conclusions:			

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	6. Do you have any other comments on DCP 417?	Working Group Comments
British Gas [Supplier]	Non- Confidential	N/A.	
Energy Assets Networks [IDNO]	Non- Confidential	No.	
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.	
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.	
National Grid Electricity Distribution [DNO]	Non- Confidential	No.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

Northern Powergrid [DNO]	Non-Confidential	No.	
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>	
Southern Electric Power Distribution & Scottish Hydro Electric Power Distribution [DNO]	Non-Confidential	No.	

DCP 417

‘Ability for the DCUSA Secretariat to Raise Change Proposals’

COLLATED CONSULTATION 2 RESPONSES WITH WORKING GROUP COMMENTS

SSE Generation [Generator]	Non- Confidential	No comment.	
Working Group Conclusions:			