|  |  |  |
| --- | --- | --- |
| **DCUSA Change Report** | | At what stage is this document in the process? |
| **DCP 417:**   |  | | --- | | **Ability for the DCUSA Secretariat to Raise Change Proposals** |   *Date raised: 16 November 2022*  *Proposer Name: Simon Yeo*  *Company Name: National Grid Electricity Distribution*  *Company Category: DNO* | | |  | | --- | | **01 – Change Proposal** | | **02 – Consultation** | | **03 – Change Report** | | **04 – Change Declaration** | |
| **Purpose of Change Proposal:**  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. | | |
| Description: Description: YES_GREEN | This document is issued in accordance with Clause 11.20 of the DCUSA, and details on DCP 417 ‘Secretariat to Raise Change Proposals’.  Parties are invited to consider the proposed amendment (Attachment 1) and submit their votes using the Voting form (Attachment 2) to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) by XXX.  The voting process for the proposed variation and the timetable of the progression of the Change Proposal (CP) through the DCUSA Change Control Process is set out in this document.  If you have any questions about this paper or the DCUSA Change Process, please contact the DCUSA by email to dcusa@electralink.co.uk or telephone 020 7432 3011. | |
| Description: Description: High_Impact | Impacted Parties:  Suppliers / DNOs / IDNOs / CVA Registrants / Gas Suppliers / OTSO Party | |
| Description: Description: High_Impact | 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.) | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Contents  [1 Executive Summary 3](#_Toc125191620)  [2 Governance](#_Toc125191621) 3  [3 Why Change? 3](#_Toc125191622)  [4 DCP 429 Working Group Assessment 4](#_Toc125191623)  [5 DCP429 Consultation 4](#_Toc125191624)  [6 Working Group Conclusions & Final Solution 6](#_Toc125191625)  [7 Relevant Objectives 7](#_Toc125191626)  [8 Impacts & Other Considerations 7](#_Toc125191627)  [9 Implementation 8](#_Toc125191628)  [10 Legal Text 8](#_Toc125191629)  [11 Code Specific Matters 8](#_Toc125191630)  [12 Recommendations 8](#_Toc125191631)  [13 Attachments 9](#_Toc125191632)  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 | | Second consultation Issued to Industry Participants | 13 October 2023 | | Change Report Approved by Panel | 21 February 2024 | | Change Report issued for Voting | 22 February 2024 | | Party Voting Closes | 14 March 2024 | | Change Declaration Issued to the Authority | 15 March 2024 | | Authority Decision | TBC | | Implementation | Next DCUSA release following Authority approval | | **Any questions?** |
| Contact:  **Code Administrator** |
| **Description: Description: email_us_go_onlineDCUSA@electralink.co.uk** |
| **Description: Description: call_us0207 432 3011** |
| Proposer:  **Simon Yeo** |
| **Description: Description: email_us_go_online** [**syeo@nationalgrid.co.uk**](mailto:syeo@nationalgrid.co.uk) |
| **Description: Description: call_us -** |
|
|
|
|
|
|
|
|
|
|  |

### 

1. Executive Summary

#### What?

* 1. [**DCP 417 ‘Ability for the DCUSA Secretariat to Raise Change Proposals’**](https://www.dcusa.co.uk/change/ability-for-the-dcusa-secretariat-to-raise-change-proposals/) was originally raised on 16 November 2022. The Working Group issued an initial consultation on 05 May 2023, see Attachment 2 for the full consultation documentation, along with industry responses and Working Group feedback. Following review of the consultation responses, the Working Group has revised the original solution. This second DCP 417 consultation details these changes and seeks industry views.

#### Why?

#### In the original CP (see Attachment 4), the proposer believed 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. It was also believed the Secretariat could 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.

### Further to the above, the Working Group identified additional benefits such as the Secretariat could raise Change Proposals as directed by the Authority, raise housekeeping changes and changes that arise as a consequence of other code modifications.

#### How?

* 1. 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. Some respondents stated that they would be supportive of a reduced scope such as the ability for Secretariat to raise housekeeping changes and Authority lead changes only. In relation to the reduced scope, the Proposer felt that this would take away most of the benefits identified within the first consultation and an alternative solution was provided whereby it was felt that the benefits identified would be maintained and also the risks identified above mitigated.
  2. Following review of the consultation responses, the Proposer, with input from the 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 could 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.

1. Governance

#### Justification for Part 1 Or Part 2 Matter

2.1 This proposal seeks to grant the ability to the Secretariat to raise Issues at either the SIG or DCMDG that may subsequently lead to 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, requiring a decision by the Authority.

**Requested Next Steps**

* 1. The Panel recommends that this CP should be issued to Parties for Voting.

1. Why Change?

#### Background of DCP 417.

* 1. Further to the above, the proposer believes that by granting the DCUSA Secretariat the ability to raise issues at either the SIG or the DCMDG, that may subsequently lead to CPs being raised, the Secretariat will add 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.

1. DCP 417 Working Group Initial Assessment and Consultation
   1. This DCP 417 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](http://www.dcusa.co.uk).
   2. In the first consultation the Working Group considered the potential risks of granting the new powers. 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, SECMP881 and SECMP1492 and carried out an analysis against each of these. In addition, the Working Group discussed additional risks not noted in the Ofgem rejections of the SECAS change proposals. The issues and risks identified between the rejections of the SECAS change proposals and the Working Group’s analysis can be found in the first consultation **(Attachment 2 DCP 417 Consultation1 and Industry Responses).**
   3. The consultation was issued to parties on 05 May 2023. There were nine responses received to the consultation. The Working Group’s conclusions can be found in **Attachment 2.** A summary of the Working Groups findings and conclusions to the responses can be found below.
   4. After consideration of the consultation responses, the Working Group identified the following areas that needed further consideration:

* insufficient industry engagement prior to a Secretariat lead CP being raised;
* the 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; and
* the current proposed governance gives the Panel limited powers to reject a Secretariat raised CP.

**Proposed New Solution**

* 1. Following review of the consultation responses, the Proposer, with input from 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. If the issue is in relation to charging the DCMDG issues form should be completed (see Attachment 5) and if the issue is related to any other aspect of DCUSA the SIG issue form should be completed (see Attachment 6). These issue forms will be submitted to the respective group no later than five working days prior to the meeting.
  2. These issue forms 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 CP is submitted through an existing DCUSA Party. Alternatively, the group can instruct that the Secretariat takes the lead on raising the CP or that the issue is not progressed any further at that stage. This will all be recorded formally in the minutes and published on the DCUSA website.
  3. A quorum would need to be present at SIG or DCMDG in order for a decision to be made to instruct the Secretariat to raise a CP. There are existing quorum rules within the DCUSA document in relation to the DCUSA Panel as below:

*“No business shall be transacted at any meeting of the Panel unless a quorum is present at that meeting. The quorum for each Panel meeting shall be four Panel Members, at least one of whom must have been elected by the DNO Parties and at least one of whom must have been elected by the Supplier Parties”.*

* 1. It is proposed that the SIG and DCMDG follow a similar process requiring a minimum of four DCUSA Parties being present at the meeting, with at least one being a DNO Party and one being a Supplier Party. Decisions will be made on a majority vote.
  2. The following diagram shows how the process would work



* 1. As illustrated by the above process diagram, the Secretariat would raise an issues form at the SIG or DCMDG:
* where industry does not agree that an issue exists and that a CP form should be raised, the process is terminated;
* where industry agrees that an issue exists and that a CP form should be raised, a volunteer from an industry Party will be requested to take ownership of the issue and for raising a Change Proposal;
* where no such volunteer steps forward, the Secretariat will request the group’s approval to raise the CP on behalf of industry; and
* where approval is granted by the group, and there is a quorum, the Secretariat will raise the Change Proposal; or
* where approval is not granted by the group, the issue would be logged, and the process is terminated.
  1. In establishing a process that embeds industry engagement and ownership as a core part of the Secretariat’s role in identifying issues and raising Change proposals, the Proposer believes that the risks and issues identified by the Working Group and consultation respondents are fully mitigated, whilst still realising the overall benefits of the proposal.
  2. As noted above, some respondents stated that they would be supportive of a reduced scope such as the ability for Secretariat to raise housekeeping changes and Authority lead changes only. This approach was also supported by some Working Group members. After consideration, the Proposer and other Working Group members felt that this would take away most of the benefits identified within the first consultation and therefore this alternative solution is being presented.

**Review of risks against solution and mitigations**

* 1. The Working Group analysis of the risks identified in paragraph 5.3 above can be found in the following table:

|  |  |  |
| --- | --- | --- |
| **Issue** | **Mitigated** | **Mitigation** |
| Insufficient industry engagement prior to a Secretariat lead CP being raised. | Yes | Industry fully engaged in the discussion and decision around the creation of a CP, with the final decision on the creation of a CP being made by an industry forum (SIG/DCMDG). |
| The Secretariat would have the ability to raise Change Proposals and effectively be able to “mark its own homework. | Yes | Industry fully engaged in the discussion and decision around the creation of a CP, with the final decision on the creation of a CP being made by an industry forum (SIG/DCMDG), and not the Secretariat. |
| The Secretariat could raise Change Proposals to change or enhance its own abilities. | Yes | In requiring the Secretariat to gain the support and approval of industry forums (SIG/DCMDG) to raise CPs, it is extremely unlikely either industry forum would endorse the creation of a CP that changes or enhances the Secretariat’s abilities. |
| The Secretariat could raise Change Proposals for subjects where it lacks the expertise to do so. | Yes | All CPs raised by the Secretariat would have been discussed by industry experts at industry forums (SIG/DCDMG). Where those experts felt a Party would be better placed to raise a CP due to expertise requirements, this would be the outcome the forum would arrive at. |
| 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 | The Secretariat would only raise CPs after full engagement with industry (at the SIG/DCMDG) and industry would have agreed that a CP needed to be raised. |
| Current proposed governance gives the Panel limited powers to reject a Secretariat raised CP. | Yes | The existing Panel powers to reject a CP would be sufficient, as any CPs raised by the Secretariat would have already been approved by industry (at the SIG/DCMDG), and therefore the Panel should not need to have powers to veto this, as the CPs would represent an industry view. |

**Case for Change**

* 1. Some respondents to the first consultation stated that they did not consider that a sufficient case for change has been made. Below are some recent examples of where it is believed that an implemented DCP 417 would have been of benefit to industry:
  + At the June SIG meeting, there was discussion between parties in relation to the submission of Rota Load Block Alpha Identifier data. It was established that issuing the data at a later date than currently stipulated would be of benefit as the data would be more accurate. At that stage the requirement for a CP was identified, along with the need for a proposer. This CP needed to be raised urgently if it was going to avoid the potential need of a derogation. At this stage a CP has not been raised. This is one example of where SIG members could have instructed the Secretariat to raise a CP on its behalf to push through the change as quickly as possible.
  + There are times when Ofgem may make requests in their decision letters. For example, within their decision for DCP 386 ‘Sharing Network Information with Owners and Occupiers’ whilst they approved the implementation of the CP, they requested additional clarity in relation to the term ‘constraints’. In these types of scenarios, the Secretariat could take the lead on the change.
  + DCP 408 ‘Energy Bills Support Scheme (EBSS) cost-recovery treatment’ was raised as a result of government policy. Whilst this CP was subsequently withdrawn due to a change of approach, this is an example of where DEZNS could have interacted directly with the Secretariat to initiate the change process.
  1. Whilst the above provides some recent examples of where an implemented DCP 417 could have helped, the main purpose of this CP is to bring extra scope for the Secretariat to provide value to industry moving forward. This could come from them identifying an issue through their various engagement with industry such as attendance at working groups or their attendance at the Cross Code Steering Group or the Code Administrators Code of Practice. Prior engagement with industry will always be at the heart of any Secretariat lead change.
  2. It is believed that an implemented DCP 417 will provide more scope to the Authority who could instruct the Secretariat to investigate certain issues with industry that they be may be aware of or instruct the Secretariat to raise CPs for Significant Code Reviews. In a fast-changing industry allowing the Secretariat to have more involvement in the developing of change proposals can add valuable extra resource to industry, whilst still ensuring tight governance.
  3. Other benefits would include the ability for the Secretariat to raise identified housekeeping changes without the need for a Party to be involved, albeit at the instruction of industry via SIG or DCMDG.
  4. One respondent raised a concern that, if implemented, DCP 417 could provide the DCUSA Secretariat an unfair competitive advantage with Ofgem’s Energy Code Reform. It should be noted that any Party acceding to any of the other codes could raise a modification similar in nature.

1. DCP417 Consultation 2
   1. The Working Group undertook a second consultation during the development of the change proposal.

**Consultation 2**

* 1. The consultation was issued to parties on 13 October 2023. There were eight responses received to the consultation. The Working Group’s conclusions can be found in **Attachment 3 DCP 417 Consolidated Consultation 2 Responses**, with a summary of each shown below.

Question 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?

* 1. Six respondents believed the alternative approach mitigated any remaining risks.
  2. Two respondents partly believed that some of the risks were mitigated. One stating there needed to be some elaboration on the voting process which is expanded on in a later question.
  3. The other respondent 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 that 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 agreed that further discussion was required on these two points.

Question 2: Do you believe there are any risks that are not mitigated by the above process? Please provide your rationale.

* 1. Five respondents raised no additional risks.
  2. One respondent didn’t consider that 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. They asked that the working group provides evidence that changes have been unduly delayed, or not raised at all,
  3. 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.

Question 3: Can you think of any other risks and issues that the Working Group should consider? Please provide your rationale.

* 1. No additional risks were raised.

Question 4: 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.

* 1. Six respondents believe objective 4 is better facilitated.
  2. One respondent stated that objective 4 was possibly better facilitated.
  3. Two stated none of the DCUSA objectives were better facilitated.
  4. No respondent believed the CP had any negative impacts to any DCUSA objective.

Question 5: Do you have any comments on the proposed legal text?

* 1. Five respondents had nothing to add to this question.
  2. 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.
  3. 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.
  4. 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.

Question 6: Do you have any other comments on DCP 417?

* 1. There were no comments raised in this question that hadn’t been raised within a previous question.
  2. One respondent stated that ‘housekeeping may need to be a defined term’ another raised that the quorum should include a DNO,

1. Working Group Conclusions & Final Solution
   1. After review of the consultation responses the Working Group agreed that the below areas required further consideration.

* Evidence to support the case for change
* Unfair advantages within the industry
* The trigger for a change being raised by the secretariate.
* Quoracy requirements
* Voting procedure.
* Ensuring the process is aligned to CACOP principle 6.

**Evidence to support the case for change**

* 1. The Secretariat carried out some analysis on the proposer statistics for the most recent one hundred Change Proposals, raised over a two-year period, and this is set out in Appendix [tbc].The distribution by proposer of the number proposals raised was broad (some raised multiple proposals, others raised few), however, there were 45 proposers in total. The analysis seemed to show that sponsors will step forward as and when needed. The analysis did not indicate whether any CPs were delayed or not raised due to not being able to find a proposer to sponsor them in order to progress to a Working Group.

**Unfair advantages within the industry.**

* 1. The Working Group discussed the point raised in the second consultation that giving the secretariate the powers to raise a change proposal could provide them with an unfair advantage when it came to applying to become a code manager.
  2. It was noted that the secretariate does support DCUSA members in the raising of new change proposals and already has knowledge in this area. It was also noted that any incumbent DCUSA member can raise a change and so would already have the same advantage.
  3. Whilst the Working Group were not unanimous, the majority of the Working Group beleived that the process of raising a change proposal wasn’t a process that would grant a significant advantage to the secretariate if and when they applied to be a code manager.

**The trigger for a change being raised by the secretariate.**

* 1. The second topic the Working Group consider was the trigger for when and how the secretariate would be allowed to raise a change proposal.
  2. The Working Group agreed that any change raised by the secretariate would require party approval first and that utilising forums such as the Standing Issues Group (SIG) and the Distribution Charging Methodologies Development Group (DCMDG) would be the correct channels for granting the secretariate the powers to raise a change proposal.
  3. The Working Gorup also agreed that in order for one of the above forums to grant the secretariate powers to raise a change proposal, a clear voting process would need to be defined.
  4. It was also agreed that in order for a decision to be made, the quoracy of the decision would need to be included in the legal text.

**Quoracy requirements**

* 1. The Working Group considered the points raised in the second consultation around the approach for the quoracy of how a decision is made to allow the secretariate to raise a change proposal.
  2. One Response stated that the quoracy should be aligned to the approach taken for the DCUSA panel session. This was agreed within the Working Gorup and the legal text was updated to stated that in order for the secretariate to be allowed to raise a change, there ‘*’shall be representatives from four distinct Parties’’*.
  3. One response suggested that he quoracy should include an IDNO representative. The Working Group discussed this and agreed that the quoracy should be aligned with the quoracy of the DCUSA panel sessions and should not call out specific parties.
  4. An IDNO representative within the Working Group confirmed that they also agree that the quoracy within the legal text remains the same as the DCUSA Panel for consistency.

**Voting procedure.**

* 1. One Working Group member provided feedback on the voting process stating that

1. 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
2. Counts are being recorded for votes ‘in favour’ and ‘not in favour’, as well as for abstentions.
3. Only expressly affirmative votes are counted towards the simple majority required for the Secretariat to raise a Change Proposal (but not abstentions)
   1. A number of Working Group members showed support for the above approach, with one member suggesting that this is added into the Working Group Terms of Reference (ToR) as well as the legal text, as this will future proof the process. The Working Group agreed that this was a sensible approach to take.
   2. A suggestion was made by a Working Group member to insert the word ‘express’ prior to the word ‘approval’ throughout the draft Legal Text to ensure there is a more robust process in place. It was also suggested that Party representatives present at the meeting must vote expressly in favour of that approval by open ballot to ensure transparency.
   3. The Working Group agreed with this, and the legal text was updated accordingly.

**Ensuring the process is aligned to CACOP principle 6**.

* 1. One responder raised concerns around the number of potential solutions that can be put forward for a CP. Currently, two alternate solutions are allowed, meaning three Party led outcomes can be voted on (one being that of the Proposer), however, this will reduce that to two Party led solutions alongside the Secretariats ‘Industry’ solution.
  2. Although it may not happen regularly, the question is what will happen if there are three proposed industry alternate solutions that are better than the Secretariats, and whether the mandate can be changed.
  3. The Working Gorup agreed that how the choice is made has to be done fairly and balanced.
  4. One member stated that the mandate is there for the Secretariat to withdraw their solution or to amend/update if the solution is no longer suitable.
  5. Another member suggested that it be possible for the Working Group to discount the Secretariats solution if there are too many alternate solutions to be taken forward (so long as there is quoracy within the Working Group). One member raised a concern with this suggestion, stating that it would violate CACoP Principle 6:

*‘A Proposer of a Modification will retain ownership of the detail of their solution’.*

* 1. One member stated that a DCUSA Party led change can agree to adopt an alternative solution, or amendments to their solution, as they have the power to do so.However, the Secretariat would not have the same power to alter their solution, as their mandate is given by DCMDG/SIG members based on the initial solution presented at the forums.
  2. It was noted that a Secretariat proposed solution would have already been through a process of scrutiny where it was originally raised (either at the DCMDG or SIG meetings) prior to being progressed to a Working Group. If a particular change was seen as contentious, then RFIs can be produced and circulated to seek additional information needed to propose the original solution prior to forming the Working Group.
  3. After further discussion, a potential solution to the above concerns raised was that if there are three alternative solutions raised by DCUSA Parties, the Secretariat could agree to withdraw the change (thus removing their original proposed solution) allowing a DCUSA Party to raise a new change to progress with the three alternate solutions, making one of those the new original solution. This would also avoid violating CACoP Principle 6.
  4. It was suggested that this could be explained within the Terms of Reference for all changes/Working Groups.

1. Relevant Objectives

#### Assessment Against the DCUSA Objectives

* 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** |
|  | 1. The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks | Neutral |
|  | 1. 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 |
|  | 1. The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences | Neutral |
|  | 1. The promotion of efficiency in the implementation and administration of the DCUSA | Positive |
|  | 1. 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 |

* 1. Some 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’.
  2. Allowing the DCUSA Secretariat to raise issues at the SIG or DCMDG for industry review will allow the Secretariat to utilise existing industry forums to facilitate industry discussion where it believes it has identified a change that will better facilitate the DCUSA Objectives.
  3. The following options will be available to industry at these meeting:

• A DCUSA Party takes ownership of the CP;

• the SIG or DCMDG, through a majority vote, instruct the Secretariat to raise the CP; or

• the issue is withdrawn, resulting in no CP being raised.

* 1. The above options allow for extra flexibility, which in turn will aid in the promotion of efficiency in the implementation and administration of the DCUSA.

1. Impacts & Other Considerations

#### Impacts on other Industry Codes

* 1. N/A

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| BSC……………... |  | MRA………… |  | Grid Code………. |  | REC………. |  |
| CUSC…………… |  | SEC………… |  | Distrbution Code.. |  | None………. |  |

#### Significant Code Review Impacts?

* 1. It is noted that the DEZNS and Ofgem Energy Code Reform is also considering code governance in general.

#### Consumer Impacts

* 1. The Working Group does not consider that there are any impacts to consumers as a result of the implementation of this CP that should be highlighted within this Change Report.

#### Environmental Impacts

* 1. In accordance with DCUSA Clause 11.20.6(D), the Working Group assessed whether there would be a material impact on greenhouse gas emissions if this CP were implemented. The Working Group did not identify any material impact on greenhouse gas emissions from the implementation of this CP.

1. Implementation
   1. It is proposed that should this CP be approved, it is implemented in the next scheduled DCUSA release following any such approval.
2. Legal Text

**Legal Text**

* 1. Please find the proposed, red-lined legal text in Attachment 4 to this CP.

#### Text Commentary

* 1. 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, with the approval of the SIG or DCMDG;
* clause 10.2A has been added to require the Secretariat to raise issues at the SIG or DCMDG and to provide an opportunity for industry to take ownership of the issue and responsibility for raising the Change Proposal;
* clause 10.2B has been added to require approval, by simple majority, of the SIG or DCMDG before the Secretariat can raise a CP form, and to require a quorum at each group, similar to existing quoracy requirements for the DCUSA Panel and Board.

1. Code Specific Matters

#### Modelling Specification Documents

* 1. N/A

#### Reference Documents

* 1. N/A

1. Recommendations

#### Panel’s Recommendation

* 1. The Panel approved this Change Report on 21 February 2024. The Panel considered that the Working Group has carried out the level of analysis required to enable Parties to understand the impact of the proposed amendment and to vote on DCP 417.
  2. The Panel have recommended that this report is issued for Voting for a period of 3 weeks and DCUSA Parties should consider whether they wish to submit views regarding this Change Proposal.

1. Attachments

* Attachment 1: DCP 417 Voting Response Form
* Attachment 2: DCP 417 Consultation1 and Industry Responses
* Attachment 3 – DCP 417 Consolidated Consultation 2 Responses
* Attachment 4: DCP 417 Draft Legal Text
* Attachment 5: DCP 417 Change Proposal Form
* Attachment 6: DCMDG Issues Form
* Attachment 7: SIG Issues Form