

DCUSA Change Report		At what stage is this document in the process?
<h1 data-bbox="124 353 587 448">DCP 417:</h1> <h2 data-bbox="134 501 986 712">Ability for the DCUSA Secretariat to Raise Change Proposals</h2> <p data-bbox="121 750 576 786"><i>Date raised: 16 November 2022</i></p> <p data-bbox="121 804 521 842"><i>Proposer Name: Simon Yeo</i></p> <p data-bbox="121 860 876 898"><i>Company Name: National Grid Electricity Distribution</i></p> <p data-bbox="121 916 488 954"><i>Company Category: DNO</i></p>	<div data-bbox="1187 349 1350 412" style="border: 1px solid black; padding: 2px;">01 – Change Proposal</div> <div data-bbox="1187 474 1415 504" style="border: 1px solid black; padding: 2px;">02 – Consultation</div> <div data-bbox="1187 566 1350 629" style="border: 1px solid black; padding: 2px; background-color: #800080; color: white;">03 – Change Report</div> <div data-bbox="1187 672 1350 734" style="border: 1px solid black; padding: 2px;">04 – Change Declaration</div>	
<p data-bbox="121 999 571 1037">Purpose of Change Proposal:</p> <p data-bbox="121 1055 1445 1209">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>		
	<p data-bbox="240 1247 1445 1323">This document is issued in accordance with Clause 11.20 of the DCUSA, and details on DCP 417 ‘Secretariat to Raise Change Proposals’.</p> <p data-bbox="240 1344 1430 1456">Parties are invited to consider the proposed amendment (Attachment 5) and submit their votes using the Voting form (Attachment 1) to dcusa@electralink.co.uk by 07 June 2024.</p> <p data-bbox="240 1478 1437 1592">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.</p> <p data-bbox="240 1615 1437 1727">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.</p>	
	<p data-bbox="240 1765 491 1803">Impacted Parties:</p> <p data-bbox="240 1821 1307 1859">Suppliers / DNOs / IDNOs / CVA Registrants / Gas Suppliers / OTSO Party</p>	
	<p data-bbox="240 1897 507 1935">Impacted Clauses:</p> <p data-bbox="240 1953 1437 2065">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.) Amendments to Schedules 7 and 28</p>	

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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
Second consultation Issued to Industry Participants	13 October 2023
Change Report Approved by Panel	15 May 2024
Change Report issued for Voting	16 May 2024
Party Voting Closes	07 June 2024
Change Declaration Issued to the Authority	11 June 2024
Authority Decision	TBC
Implementation	Next DCUSA release following Authority approval

1 Executive Summary

What?

1.1 **DCP 417 '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 revised the original solution. Consequently, a second consultation was issued on 13 October 2023, see attachment 3 for the full consultation documentation.

Why?

- 1.2 In the original CP (see Attachment 5), 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.
- 1.3 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?

- 1.4 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 the Secretariat to raise housekeeping changes and Authority-led 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.
- 1.5 Following review of the consultation responses, the Proposer, with input from the Working Group, 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 was 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.

2 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

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

3 Why Change?

Background of DCP 417.

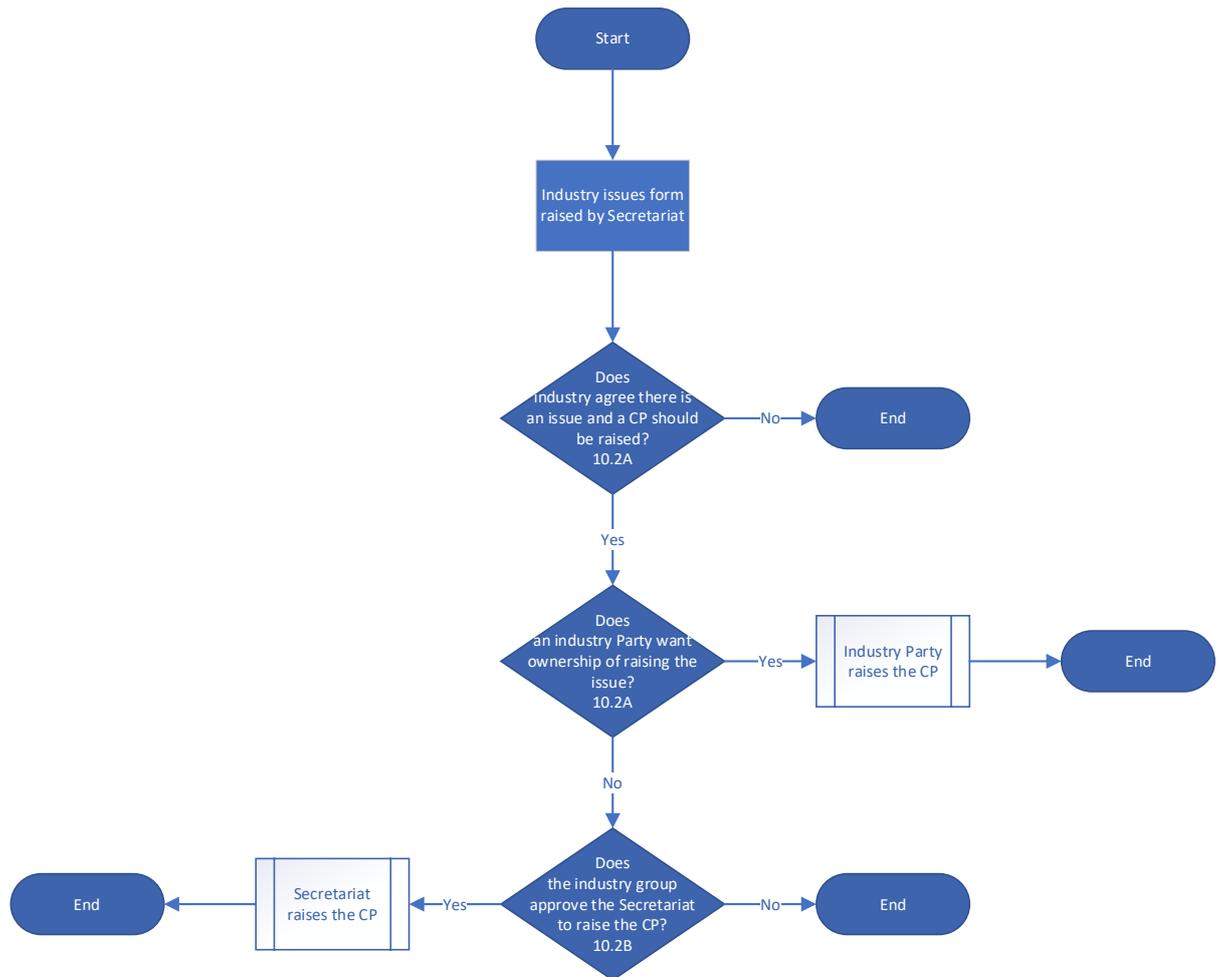
- 3.1 Further to the above, the proposer believes that by granting the DCUSA Secretariat the ability to raise issues at either the SIG or the DCMDG, that may subsequently lead to CPs being raised, the Secretariat will add additional value in its role as Code Administrator of the DCUSA by utilising the skills and knowledge it has developed to help drive improvements that better facilitate the DCUSA Objectives.

4 DCP 417 Working Group Initial Assessment and Consultation

- 4.1 This DCP 417 Working Group consisted 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.
- 4.2 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, SECMP88 and SECMP149 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**).
- 4.3 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.
- 4.4 After consideration of the consultation responses, the Working Group identified the following areas that needed further consideration:
- insufficient industry engagement prior to a Secretariat-led 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

- 4.5 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 6) and if the issue is related to any other aspect of DCUSA the SIG issue form should be completed (see Attachment 7). These issue forms will be submitted to the respective group no later than five working days prior to the meeting.
- 4.6 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.
- 4.7 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”.*
- 4.8 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. It was raised if an IDNO Party vote was required to make a vote quorate. The outcome of this discussion can be found in paragraph 6.15 in section 6 of this change report.
- 4.9 The following diagram shows how the process would work:



4.10 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.

4.11 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.

4.12 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-led 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

4.13 The Working Group analysis of the risks identified in paragraph 4.4 above can be found in the following table:

Issue	Mitigated	Mitigation
Insufficient industry engagement prior to a Secretariat-led 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 <u>not the Secretariat</u> .
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/DCMDG). 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.
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Case for Change

4.14 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. 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 the Department for Energy Security and Net Zero (DESNZ) could have interacted directly with the Secretariat to initiate the change process.

4.15 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-led change.

4.16 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.

4.17 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.

4.18 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.

5 DCP 417 Consultation 2

5.1 The Working Group undertook a second consultation during the development of the change proposal.

Consultation 2

5.2 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?

- 5.3 Six respondents believed the alternative approach mitigated any remaining risks.
- 5.4 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.
- 5.5 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 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.

- 5.6 Five respondents raised no additional risks.
- 5.7 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,
- 5.8 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.

5.9 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.

- 5.10 Six respondents believe objective 4 is better facilitated.
- 5.11 One respondent stated that objective 4 was possibly better facilitated.
- 5.12 Two stated none of the DCUSA objectives were better facilitated.
- 5.13 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?

- 5.14 Five respondents had nothing to add to this question.
- 5.15 One respondent stated that 'housekeeping may need to be a defined term' another raised that the quorum should include an IDNO. Another responder however believed that having too many parties mentioned for the quorum within the legal text could lead 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.
- 5.16 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.
- 5.17 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?

- 5.18 There were no comments raised in this question that hadn't been raised within a previous question.
- 5.19 One respondent stated that 'housekeeping may need to be a defined term' another raised that the quorum should include a DNO,

6 Working Group Conclusions & Final Solution

- 6.1 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 Secretariat.
 - Quoracy requirements

- Voting procedure
- Ensuring the process is aligned to CACOP principle 6.
- Ofgem's consultation on the implementation of energy code reform.

Evidence to support the case for change

6.2 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 A. 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.

- 6.3 The Working Group discussed the point raised in the second consultation that giving the Secretariat the powers to raise a change proposal could provide them with an unfair advantage when it came to applying to become a code manager.
- 6.4 It was noted that the Secretariat 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.
- 6.5 Whilst the Working Group were not unanimous, the majority of the Working Group believed that the process of raising a change proposal wasn't a process that would grant a significant advantage to the Secretariat if and when they applied to be a code manager.

The trigger for a change being raised by the Secretariat.

- 6.6 The second topic the Working Group considered was the trigger for when and how the Secretariat would be allowed to raise a change proposal.
- 6.7 The Working Group agreed that any change raised by the Secretariat 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 Secretariat the powers to raise a change proposal.
- 6.8 The Working Group also agreed that in order for one of the above forums to grant the Secretariat powers to raise a change proposal, a clear voting process would need to be defined.
- 6.9 It was also agreed that in order for a decision to be made, the quoracy rules for the voting process would need to be included in the legal text.
- 6.10 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.

- 6.11 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.
- 6.12 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.

Quoracy requirements

- 6.13 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 Secretariat to raise a change proposal.
- 6.14 One respondent stated that the quoracy should be aligned to the approach taken for the DCUSA panel session. This was agreed within the Working Group and the legal text was updated to state that in order for the Secretariat to be allowed to raise a change, there *‘shall be representatives from four distinct Parties’*.
- 6.15 One respondent suggested that the quoracy should include an IDNO representative. The Working Group discussed this and agreed that the quoracy rules should be created in a way that didn't require an IDNO party to vote explicitly but, in the unlikely event that no DNO attended the SIG or DCMDG, an IDNO party's vote would act as an alternative to the DNO parties to make a vote quorate.
- 6.16 An IDNO representative within the Working Group took an action to check with the IDNO parties that they were comfortable with this approach and following an Independent Networks Association meeting, confirmed that the IDNOs were happy with the Working Groups approach.

Voting procedure.

- 6.17 One Working Group member provided feedback on the voting process stating that,
- A) votes must be 'expressly' given, by the (virtual) raising of hands at the relevant industry meeting – this will create transparency to the wider stakeholder community.
 - B) Counts are being recorded for votes 'in favour' and 'not in favour', as well as for abstentions.

- C) Only expressly affirmative votes are counted towards the simple majority required for the Secretariat to raise a Change Proposal (but not abstentions)
- 6.18 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.
- 6.19 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.
- 6.20 The Working Group agreed with this, and the legal text was updated accordingly.

Ensuring the process is aligned to CACOP principle 6.

- 6.21 A respondent raised concerns related to CACoP¹ principle 6 which states that “A proposer of a Modification will retain ownership of the detail of their solution”. This means that the proposer can change their originally proposed solution during the course of the development process.
- 6.22 The Working Group considered whether it was appropriate for the Secretariat to have such powers, given their mandate to act as a proposer would have been granted by industry, and would have been linked to the solution initially presented at the SIG/DCMDG meeting at the outset of the proposal.
- 6.23 This issue has an impact on 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, the proposal would reduce that to two Party-led solutions alongside the Secretariat's 'Industry' solution.
- 6.24 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 Secretariat's, and whether the mandate can be changed.
- 6.25 A member suggested that the Working Group discount the Secretariat's solution if there are too many alternate solutions to be taken forward (so long as there is quoracy within the Working Group).
- 6.26 Another potential solution to the above concerns was that if there are three alternative solutions raised by DCUSA Parties, the Secretariat could withdraw the change (thus removing their original proposed solution), allowing a DCUSA Party to raise a new change proposal to progress with the three alternate solutions, making one of those the new original solution. This would also avoid violating CACoP Principle 6.

¹ CACoP = Code Administration Code of Practice

6.27 The Working Group agreed that in both scenarios, withdrawal of the proposal, or replacement of the original solution, the Secretariat would require further approval from either the SIG or the DCMDG, to be obtained in a similar way to the original mandate to raise the proposal (except in the case of minor changes to the solution). The Working Group developed clause 10.2C within Section 1C of the DCUSA setting this out.

Ofgem’s consultation on the implementation of energy code reform

6.28 Section 4 of Ofgem’s consultation on the implementation of energy code reform sets out their proposed approach to implementing Ofgem’s Strategic Direction Statement (SDS). They propose to publish their first SDS next year, and seek views on proposed process, scope and content. They will also seek views on the role of stakeholders in supporting the delivery of code modifications in relation to the SDS. Section 4.20 states the following:

Where codes do not yet have a code manager appointed, engagement with the SDS and taking steps to achieve SDS priorities will be encouraged through the existing governance process.

6.29 DCP 417 would enable Ofgem to instruct the Code Administrator to raise CPs that support their SDS.

7 Relevant Objectives

Assessment Against the DCUSA Objectives

7.1 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

- 7.2 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'.
- 7.3 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.
- 7.4 The following options will be available to industry at these meetings:
 - 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 resolved by another route, resulting in no CP being raised.
- 7.5 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.

8 Impacts & Other Considerations

Impacts on other Industry Codes

8.2 N/A

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

Significant Code Review Impacts?

8.3 It is noted that the DESNZ and Ofgem Energy Code Reform is also considering code governance in general.

Consumer Impacts

8.4 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

8.5 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.

9 Implementation

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

10 Legal Text

Legal Text

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

Text Commentary

Section 1C

- 10.2 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, 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.

Schedule 7

- 10.3 New clause 8.6 added to refer to the new clauses in Section 1C setting out the process to be followed for a secretariat-led change proposal.

Schedule 28

- 10.4 New clause 8.6 added to refer to the new clauses in Section 1C setting out the process to be followed for a secretariat-led change proposal.

11 Code Specific Matters

Modelling Specification Documents

- 11.1 N/A

Reference Documents

- 11.2 N/A

12 Recommendations

Panel's Recommendation

- 12.1 The Panel approved this Change Report 15 May 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.
- 12.2 The Panel has 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.

13 Attachments

- Attachment 1: DCP 417 Voting Response Form
- Attachment 2: DCP 417 Consolidated Consultation 1 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

14 Appendix A

