

# CACoP Principle 13 Consultation Responses

## CACoP Principle 13 Consultation

This CACoP Principle 13 Consultation was issued on 1 June 2015, with responses invited by 19 June 2015.

### Consultation Respondents

Respondent	Role(s) Represented
Salient Systems Limited	Software solutions provider – NHHDC/DR/MO, HHDC/DA/MO systems
IMServ Europe Ltd	Party Agent
Opus Energy Ltd	Supplier
Drax Power Limited/Haven Power Limited	Generator/Supplier
Electricity North West Limited	Licensed Distribution System Operator
TMA Data Management Ltd	NHHDA, NHHDC, HHDC and HHDA
GTC	Independent Gas Transporter and Independent Electricity Distribution Network Operator
Npower Ltd	Supplier/ Generator
Utility Funding Limited	Meter Asset Provider
Smart DCC Ltd	Smart data communications infrastructure provider
Western Power Distribution	Distributor
EDF Energy	Supplier and Generator
First Utility	Domestic Energy Supplier
Robin Hood Energy Limited	Supplier
E.ON	Supplier, Generator, Trader, embedded generator

Question 1: Do you agree with the Code Panels that Principle 13 'cross Code coordination' should be added to the CACoP?

## Summary

Yes	No	Neutral/No Comment	Other
15	0	0	0

## Responses

Respondent	Response	Rationale
Salient Systems Limited	Yes	N.A
IMServ Europe Ltd	Yes	<p>Yes. The volume of change in the industry in the last 12 months has increased considerably with an expectation that this will continue over the coming years. The scope of the changes has extended beyond the traditional processes and the nature of many of the changes has become more complex and aggressive in terms of implementation timescales.</p> <p>Market participants are already struggling to manage this workload at both the proposal and also the implementation stage due to the volume. Many of these changes have cross code impacts and dependencies which are currently not well identified and are progressed in isolation against unaligned timescales compounding the aforementioned problems.</p> <p>This prevents consideration of all aspects (and options) of an issue at the same time, resulting in decisions being taken on the individual parts of a solution which, when put together, potentially lead to ineffective and inefficient solutions being agreed.</p>
Opus Energy Ltd	Yes	<p>Many changes impact more than one Industry Code and often cover both electricity and gas. However, our experience is that we've seen limited evidence of pro-active clear and effective cross-code working for such changes.</p> <p>It can be challenging from a resource perspective, in particular for independent suppliers, to track related changes across each code, especially for larger initiatives such as P272, Project Nexus and Smart. For initiatives such as these, it would be far more straightforward and transparent if effective cross code coordination was in place.</p>

Respondent	Response	Rationale
		<p>Ideally, a centralised cross code project could be established for each major initiative. Such projects should list the associated Change Proposals/Modifications for each industry code. This would help to ensure that no key changes are missed and, by considering related changes concurrently there would be increased opportunities for cross code coordination and efficiencies.</p> <p>Potential efficiencies include:</p> <ul style="list-style-type: none"> <li>• Joint Workgroups attended by experts across the associated codes.</li> <li>• Coordinated progression and implementation timetables for each stage of related cross code changes including coordinated packages of changes for Authority consent.</li> </ul>
Drax Power Limited/Haven Power Limited	Yes	The addition of Principal 13 to the CACoP will serve to ensure cross Code changes can be progressed through the development and implementation process efficiently. The Principal should ensure that Code Administrators communicate effectively in order to share expertise, raise awareness of the impacts of change and provide guidance.
Electricity North West Limited	Yes	We agree with the Code Panels' proposal and believe the addition of Principle 13 will enhance the CACoP and improve the progress of changes that do have an impact on multiple industry codes.
TMA Data Management Ltd	Yes	We fully support a well co-ordinated cross code administration, the Industry is increasing in complexity, therefore it is critical to ensure that changes make sense across the different Codes and that the impact of potential changes on other Codes is properly assessed.
GTC	Yes	GTC believes that the CACoP, Code Panels, Workgroups and market participants will benefit from the inclusion of Principle 13 within CACoP.
Npower Ltd	Yes	We agree that cross code co-ordination should be introduced into the CACoP. Currently, it can take a long time for changes to be progressed, as there are often multiple parties working separately on related change, with little or no alignment. This can prevent workgroups from moving forwards due to uncertainties of what other groups are doing. Principle 13 will help to avoid this, allowing changes to be made more efficiently across the industry that

Respondent	Response	Rationale
		<p>encompass the views of all parties.</p> <p>Examples of where the industry would have benefited from Cross – Code co-ordination include:</p> <ul style="list-style-type: none"> <li>• P272/ P300 / DCP179: as the change impacted two codes, there were two sets of decisions made around these changes. This negatively impacted delivery, as it led to delays, and outcomes that did not suit all parties. A single workgroup that represented both codes would have saved a lot of time, and led to decisions that incorporated the views of everyone.</li> <li>• UPRN: work on this change is currently being done in various workgroups – by the UNC, iGT UNC, and more recently in a data quality initiative that has identified UPRN as area needed to be tackled to help resolve issues with CoS. Since each workgroup has taken a different approach, little progress has been made. A joint meeting would have meant more action taken sooner, and decisions which take into account the views of all.</li> </ul> <p>Multiple future changes across the industry will benefit from a single approach agreed between code administrators. Within Dual fuel initiatives and SMART, having a documented process for code administrators to follow would encourage a consistent and transparent approach between the code administrators and provide a much more efficient process for delivery. Project Nexus particularly, with the creation of a single set of systems for all, will benefit from cross- code governance to complement this.</p> <p>We would expect code administrators to work together to facilitate effective working across codes, a good example would be the data quality workgroup. This will be more prevalent going forward with SMART, it would be a sensible and pragmatic approach that code administrators work together.</p>
Utility Funding Limited	Yes	This is a practical and common sense initiative to aid delivery of a “joined up” effective and economic delivery of energy services to consumers
Smart DCC Ltd	Yes	DCC provides the shared smart metering communications infrastructure that will allow energy

Respondent	Response	Rationale
		<p>suppliers, network operators and other authorised users to communicate with smart meters. The smart meter communication service will enable consumers to manage their energy usage with near to real-time information of their energy consumption.</p> <p>Consumers will benefit from energy savings and reduced emissions as a result of more accurate information, bringing an end to estimated billing.</p> <p>The Smart Energy Code (SEC) is an industry code which came into force under the Smart Meter Communication Licence. The SEC is a multiparty contract which sets out the terms for the provision of the DCC's smart meter communications service, and specifies other provisions to govern the end-to-end management of smart metering. The SEC was officially designated on 23rd September 2013 and is governed by the SEC Panel. The content in the SEC is being added to and amended in stages. Within the SEC arrangements is the role of the Smart Energy Code Administrator and Secretariat (SECAS), which is there to advise and support the SEC Panel in relation to its functions and responsibilities in accordance with the SEC. SECAS also provides SEC Parties with information relating to the implementation of the SEC. The role of SECAS was awarded to Gemserv.</p> <p>DCC welcomes the proposal to add a new principle in the CACoP to mandate cross Code coordination. An approach which enhances communication, collaborative working and efficiency is a positive step which DCC supports.</p>
Western Power Distribution	Yes	Changes that have an impact on more than one code would appear to be on the increase. It is vital that a coordinated approach is adopted in these cases to ensure, as far as is reasonably practical, that the changes are processed in parallel. This will help to avoid cases where, for example, a BSC change is approved which depends on an MRA change as part of its implementation and that MRA change is not approved.
EDF Energy	Yes	We are increasingly seeing modifications that impact multiple Codes and especially with the pending implementation of the European Network Codes, expect to see more. Principle 13 should help parties, and ultimately consumers, ensure changes are progressed efficiently as possible.
First Utility	Yes	Yes we agree that Principle 13 on cross code coordination should be added to the CACoP. This

Respondent	Response	Rationale
		will improve visibility of related modifications across industry codes, encourage co-ordination and impact assessment, as well as to streamline the associated the change processes. However as we go into detail under Question 3, further action is required to engage independent market participants. Principle 13 in itself does not address the challenges independent suppliers face in engaging with the industry codes processes, nor does it propose how market participants should be 'proactively informed'.
Robin Hood Energy Limited	Yes	Robin Hood Energy aims to play an active role in ensuring that the industry codes meet the objectives for which they were set up. This task is made easier if the code administrators facilitate an efficient engagement in industry consultations. We think that 'cross Code coordination' is one initiative that supports efficient engagement, so we give it our support for addition to the CACoP.
E.ON	Yes	We believe that it will help introduce a consistent approach across codes to ensure that modifications proposed to one or more codes are coordinated effectively.

Question 2: Do you agree with the Code Panels that the draft text of Principle 13 delivers the intention of this Principle?

## Summary

Yes	No	Neutral/No Comment	Other
13	2	0	0

## Responses

Respondent	Response	Rationale
Salient Systems Limited	Yes	N.A
IMServ Europe Ltd	No	Whilst the wording is a great improvement on the current situation, this does not address the quality aspect of the change, i.e. the effectiveness of the change. This enduring aspect is more important that working efficiently together to progress the change as, unless this is considered, we may find further changes are required to the same process.
Opus Energy Ltd	Yes	<p>We agree with draft Principle 13 "Code Administrators will ensure cross Code coordination to progress changes efficiently where modifications impact multiple codes" and the Principle description "Code Administrators will communicate, coordinate and work with each other on modifications that impact multiple Codes to ensure changes are progressed efficiently".</p> <p>However, we also agree with the comment as referenced in the consultation from the CUSC Panel that Principle 13 should reflect that Code Administrators may not always be able to proactively identify cross code issues. Therefore, we support each of the points bulleted within the "Guidance on meeting the Principle" section of the consultation, including that Code Administrators should seek views from Code Panels, Workgroups and market participants in order to identify potential cross code changes.</p>
Drax Power Limited/Haven Power Limited	Yes	We agree that the current text will ensure Code Administrators communicate and work with each other effectively when cross Code change has been identified. We believe that, in addition, a more proactive approach to finding and addressing these changes should be taken. Change groups working within the respective codes should have the additional duty of identifying potential impacts to

Respondent	Response	Rationale
		other codes. Code Administrators would then produce consolidated monthly updates on modifications/issues to identify what each proposal aims to achieve and any cross Code impacts identified. This update would then be distributed to other Code Administrators in order for consideration against their own codes. Once compiled, such reports could be made available to the industry and code panels. This would encourage cross-industry interaction, leading to a more effective process for identifying required change.
Electricity North West Limited	Yes	We believe the draft text provided for Principle 13 will deliver the intention.
TMA Data Management Ltd	Yes	N.A
GTC	Yes	GTC agrees that the draft text of principle 13 delivers the intent of the principle without binding CAs and other parties to prescribed procedures and set communications.
Npower Ltd	No	<p>We mostly agree with the overall wording of the draft text of Principle 13, however, we would add and change the following to the guidelines:</p> <p>1. Add the following guideline:</p> <ul style="list-style-type: none"> <li>- Identify if cross- code workgroups are necessary to efficiently progress cross – code changes.</li> </ul> <p>Workgroups will not always be necessary, and this should be reflected in the guidelines.</p> <p>2. Alter the wording in the following guideline: have joint or back to back Workgroup meetings as much as possible on related cross Code changes.</p> <p>To: have joint or back to back Workgroup meetings, as needed, on related cross Code changes.</p> <p>Meetings may be needed at different frequencies during the change process depending on the type of change.</p>
Utility Funding Limited	Yes	This is a practical and common sense initiative to aid delivery of a “joined up” effective and economic delivery of energy services to consumers
Smart DCC Ltd	Yes	DCC agrees that the description and guidance provided by the draft principle 13 covers the obligations that Code Administrators should fulfil to



Respondent	Response	Rationale
		facilitate effective working across Codes.
Western Power Distribution	Yes	N.A
EDF Energy	Yes	<p>Broadly, yes. Principle 13 states that Code Administrators will ensure cross Code coordination to progress changes efficiently where modifications impact multiple Codes. The accompanying guidance lists useful examples of ways this can be achieved to help Code Administrators deliver the intention.</p> <p>In practice, we will not know whether the principle is delivering the intention unless there is some report-back mechanism. Under Principle 12 of the CACoP, Code Administrators should be reporting annually on agreed metrics. We would urge the Code Administrators to consider what those metrics might be for Principle 13 and report them on a consistent basis.</p>
First Utility	Yes	<p>Yes, we agree that monthly meetings to discuss upcoming changes, and the subsequent steps regarding the initial written assessment and involvement of the BSC Panel, will definitely facilitate convergence and transparency in Code modification processes. However these changes will not themselves further the interests of independent suppliers and consumers per se. Whilst there is guidance provided on meeting the Principle, as covered on page 3 of the CACoP Principle 13 Consultation, there are no proposals as to how the following aspects be realised in practice:</p> <ul style="list-style-type: none"> <li>• Seek views from .... market participants in order to anticipate, identify and discuss related cross Code changes and their impacts</li> <li>• Proactively inform market participants when cross Code impacts are identified and seek engagement from the relevant market participants in cross Code changes</li> <li>• Code Administrators should communicate with industry stakeholders to be able to anticipate upcoming cross Code changes. Our thoughts on how to improve this engagement is covered below in our answer to question 3.</li> </ul>
Robin Hood Energy Limited	Yes	The draft text of the Principle 13 is consistent with the intention of the Principle at high-level. The draft

Respondent	Response	Rationale
		guidance text provides the necessary details for code administrators.
E.ON	Yes	N.A

## Question 3: Do you have any further comments?

### Summary

Yes	No	Neutral/No Comment	Other
6	9	0	0

### Responses

Respondent	Response	Rationale
Salient Systems Limited	Yes	<p>The Guidance notes provided to Code Administrators to assure effective delivery of new Principle 13 are sensible as far as they go; they propose a number of mechanisms designed to assure that identification of and attention to related cross code issues are coordinated and progressed effectively across groups and within joint-working groups.</p> <p>However, the guidance would benefit from further clarity upon the role responsibilities attached to and the procedures to be exercised by Code Administrators to assure that the impact of possible change at other Codes, and any resulting impacts of change at other Codes across yet other Codes, have been fully impact analysed against the Code Administrators target Code and all impacts are effectively published consistently to all stakeholders. Possible complex matrices of related or dependant issues across codes may result from effective delivery of Principle 13. In order to reduce the risk that cross code matrices of related/dependant change are incomplete in scope or partial in communication to all interested stakeholders then the positioning of a cross-codes coordination and assurance function/role-holder and supporting procedures is offered for consideration ?</p>
IMServ Europe Ltd	No	N.A
Opus Energy Ltd	Yes	<p>We recommend that a section could be added to each Change Proposal/Modification form for each code with a tick list of which other industry Codes (if any) are also impacted by the proposal. As part of the impact assessment stage a standard question could be included, seeking feedback from participants regarding whether they believe that any codes not listed by the Proposer are also impacted.</p> <p>In order to help raise awareness of changes across industry codes, it would be helpful, in particular for independent suppliers, if the Cross Codes Forum, as</p>

Respondent	Response	Rationale
		previously chaired by Elexon could be resurrected and include each of the key industry codes, including MRA-related change proposals.
Drax Power Limited/Haven Power Limited	Yes	Whilst the process is to be led by the Code Administrators, it is important that Ofgem also commits to fully engage in this process. Early guidance on potential issues, impacts or interactions on its processes, and/or the ability of the regulator to make decisions on such change in an efficient manner (e.g. early identification of insufficient analysis), is critical to ensuring this remains an effective process.
Electricity North West Limited	Yes	The introduction of Principle 13 should help to improve the effectiveness of the change process for all industry codes.
TMA Data Management Ltd	No	N.A
GTC	No	N.A
Npower Ltd	Yes	<p>The role of the administrators and the code panels should be clear.</p> <p>We believe that the role of the Code Administrator is to review what is happening across other codes, and identify where there are cross code changes that should link together. The code administrator should be responsible for putting these proposals to the code panels, and continuing to keep code panels updated on how the change is being developed elsewhere.</p> <p>The code panels will have the overall responsibility for making decisions on actions.</p>
Utility Funding Limited	No	N.A
Smart DCC Ltd	No	N.A
Western Power Distribution	No	N.A
EDF Energy	No	N.A
First Utility	Yes	<p>Independent suppliers face significant challenges with engaging in the industry codes processes, as we covered in our response the CMA's update Issues Statement in March 2015.</p> <p>The disparity of levels of resource between the integrated incumbents and independent market</p>

Respondent	Response	Rationale
		<p>participants is widely acknowledged as a significant reason why independents find it difficult to keep abreast of and engage in consultations for licence condition modifications and code modifications. Furthermore, independents do not have the same capacity to contribute to workgroups, expert groups and participate by other means. For those participants who cannot participate in the consultations for change, their views may not be provided at all. As a result, governance bodies and working/expert groups may not gain the benefit of independents' views and experiences or a chance to understand and work through their concerns. In this context, it must be recognised that such commitments can only be continuously met by the Big Six, and that the majority of individual participants will by default be provided by them. Participation in governance or in a working group does represent a commitment of time, expertise and potentially finance resource. Highlighting the challenges to smaller participants in active, sustained and cross-code engagement is not intended to ignore the contributions made by all those who participate, of any size, in industry governance.</p> <p>Bearing the resource issue in mind and in light of the wider policy and regulatory environment, the amount and sheer weight of change, occurring in parallel, makes even tracking, understanding and prioritising proposed changes, challenging for smaller market participants. This is evidenced in the lack of sustained, cross-code active participation by such market participants.</p> <p>To help address this and to meet the implementation requirements under Principle 13, we have some initial thoughts on how all market participants in general and smaller participants in particular can be assisted in these industry processes:</p> <ul style="list-style-type: none"> <li>• Reconstituting the Cross-Codes Forum, with wider and more active marketing of it to encourage greater participation (whether in person, by phone, etc.). Whilst there are issues and sensitivities around scope of work for each code body, it would be possible to establish a joint code bodies working arrangement, building on current cooperation, to support this forum. The forum could have as one of its stated aims</li> </ul>

Respondent	Response	Rationale
		<p>to facilitate smaller participant engagement in all codes. This could manifest in the provision of information, teach-ins and specific assistance, pushing information to such participants in an appropriate form, and also pulling information from them for inclusion in ongoing modification processes. This could include, for example, for workgroups without any smaller participant representation, putting a questionnaire or giving homework to such participants so their perspective can be obtained. Whilst the various consultation stages do allow this, the aim here would be to inject such input earlier in the process;</p> <ul style="list-style-type: none"> <li>• cross-code change pipeline management, which could be done through the Cross Code Forum or through a specifically constituted Change Body. The aim would be to canvass industry and policy-maker views on possible matters for change; change suggestions could be categorized into non-material, cross-code impacting, material, major or other appropriate categories, and the amount of change in each category assessed and grouped. This could feed into the proposed methodology for implementing Principle 13, as this would facilitate pro-actively managing cross-code changes and the potential clash of any major changes whilst also helping to feed in smaller participant views earlier in the process.</li> </ul> <p>The guidance on meeting Principle 13 also includes 'if practically possible, encourage representatives from other Codes to join the Workgroup meetings when there are cross Code impacts'. In the light of this, we believe it is worth considering the use of smaller market participant representatives in workgroups and adjusted voting. For example if representing other smaller suppliers, a representative can vote on their behalf in addition to their own or, where relevant, have any votes weighted or representation otherwise pro-rated by total market share of those being represented.</p> <p>First Utility looks forward to further participating in this debate around improving engagement with smaller market participants, and we are happy to discuss the issues we raise in this response at any</p>

Respondent	Response	Rationale
		time.
Robin Hood Energy Limited	No	N.A
E.ON	No	N.A