

Introduction

Welcome to the CACoP Newsletter, the voice of the Code Administration Code of Practice (CACoP). This quarterly newsletter from the CACoP Forum will provide you with the latest information with respect to cross-Code issues, important dates, and key events.

Last time we looked at what the Forum is and why it exists as well as giving an overview of the 14 CACoP Principles. This time alongside the news we are bringing you:

- Brexit Preparations;
- Theft of Gas;
- Outcomes of our Engagement Day in July;
- A closer look at the first CACoP principle.

If you have any feedback on this Newsletter or if there are any further items you'd like us to be covering, please contact your Code Administrator – our details are available in the Code Administrators Code of Practice [CACoP](#).

The Latest Forum Discussions

The last CACoP Forum meeting was held on 17 September. Details of this and previous meetings are available [here](#).

News and Developments

Update on the joint UNC/SPAA Theft of Gas Reporting Review Group

The group was established as a joint Supply Point Administration Agreement (SPAA) and Uniform Network Code (UNC) Working Group to enable the joint review of theft reporting arrangements for Suppliers, Shippers and Transporters.

Since March 2019 it has met monthly, with ElectraLink providing the Chair and Secretariat and the Joint Office providing administration support and the meeting venue. The meetings have been well attended by both SPAA and UNC Parties, as well as Xoserve in their capacity as the Central Data Service Provider (CDSP) and

Det Norske Veritas Group Limited (DNV GL) in their capacity as the Allocation of Unidentified Gas Expert (AUGE).

Over the last six months 28 issues have been identified and investigated. These investigations have led to a detailed understanding of the issues (with supporting evidence being provided), the identification of numerous solution options and their pros and cons. The group is now drafting its closure report and finalising its many recommendations. It is anticipated that the report will be submitted in October or November 2019 to the SPAA Exec and the UNC Panel. A further update will be provided later in the year on the recommendations made.

You can find further information [here](#).

Cross-Code Credit Cover arrangements

The Smart Energy Code (SEC) and the Balancing and Settlement Code (BSC) have been looking at the possibilities of aligning some of the processes required to deal with Credit Cover Default events. Currently each Code has their own process however, some of the steps are mirrored across codes. Suggestions from this exercise have been, to synchronise the Credit Cover process and, for Codes to jointly to request that Ofgem approve the ability to suspend the rights of a Party in default, potentially saving Ofgem time and effort.

Secure Communications Update

Since the General Data Protection Regulation (GDPR) was implemented in May 2018, many Master Registration Agreement (MRA) and SPAA Parties have applied varied approaches to encrypting personal data shared between parties e.g. operational queries and escalations. This triggered the need for an evolved approach to ensure that all Parties can exchange personal data using a secure, interoperable mechanism.

Following a competitive tender process, the MRA Executive Committee (MEC) approved a service provider to develop a platform (the Secure Data Exchange Portal or SDEP) using the Electricity Central Online Enquiry Service (ECOES) to enable secure communications for MRA and SPAA parties. MRA and SPAA Change Proposals have been approved, requiring Gas Suppliers, Electricity Suppliers and Electricity Distribution Networks to use the SDEP for certain processes from June 2020.

On 16 September 2019, a workshop was held by Genserv with attendance from MRA Parties, SPAA Parties, ElectraLink and the Service

Provider to determine the required use cases the SDEP will be required to support from June 2020. These use cases were agreed with attendees at the workshop which the Service Provider will include as part of the development of the solution.

Brexit preparations

In preparation for a no-deal Brexit, the Code Administrators have been working together to ensure we are ready for the potential changes ahead. Each Code has made preparations as described below.

Rationale for the proposed change can be found in Annex 1.1 of Ofgem's [‘EU Exit – Notice of proposed licence modifications to the licence conditions of the Electricity Distribution Licence’](#) document and accompanying letter entitled [‘Preparing for EU Exit: statutory consultation on consequential licence modifications in the event the UK leaves the EU without a deal’](#).

BSC

BSC Modification [P382 ‘Amendments to the BSC in the event of no-deal Brexit’](#) will make ‘tidying-up’ changes such as changing references to legislation. In the interest of efficiency, we will leave TERRE, CACM and X-Bid provisions in dormancy, rather than remove them and go through the Modifications process to reinstall them in the event of Great Britain being able to participate post-Brexit. Given the uncertainty, the BSC Panel has deferred its decision on P382 having reviewed the latest situation at its October Panel meeting.

CUSC, Grid Code and STC

Connection and Use of System Code (CUSC), Grid Code and System Operator – Transmission Owner Code (STC) Modifications were raised at the beginning of the year to make changes for the scenario of the UK exiting the EU without a deal. These Modifications were ready to be approved in April, if they had been needed, and have since been placed on hold. Code Panel meetings are scheduled for the beginning of November where these Modifications can be approved if required, which will allow implementation by the end of November. The modifications can be found here:

CUSC:

[CMP309 'CUSC changes in the event the UK leaves the EU without an agreement'](#)

[CMP310 'CUSC section 14 changes in the event the UK leaves the EU without an agreement'](#)

Grid Code:

[CG0121 'Grid Code changes in the event the UK leaves the EU without an agreement'](#)

STC:

[CM072 'STC changes in the event the UK leaves the EU without an agreement'](#)

DCUSA

The DCUSA has drafted a Change Proposal that will be processed once the Brexit outcome is known. There are no aspects of the DCUSA that become inoperable, irrespective of a deal or no deal exit. This pragmatic approach has been shared with Ofgem.

Distribution Code

The Distribution Code Review Panel (DCRP) are currently considering what modifications are required to the initial modification proposal raised and consulted upon for a leave date of 31 March 2019. The panel aims to have a revised draft modification proposal submitted to DCRP for their meeting on 10 October. Depending on the materiality of the changes to the proposal, the DCRP may make a decision to publicly consult on the changes.

If there is no material change to the draft modification proposal, the DCRP view is that there is no public consultation required and a Final Modification Report will be submitted to the Authority on 11 October 2019.

If there is material change to the draft modification proposal, the DCRP view is that a public consultation is required. The public consultation will likely be released for 10 working days between 11 October and 24 October 2019. The Final Modification Report would be expected to be submitted to the Authority on 25 October 2019.

IGT UNC

Independent Gas Transporters' Uniform Network Code (IGT UNC) Modification [IGT120F 'Aligning the IGT UNC with licence changes following the UK leaving the EU with a 'No deal''](#) will be presented to the IGT UNC Panel for final decision in October 2019. The implementation date will be guided by the Government's position with regards to withdrawal discussions.

MRA

MRA Change Proposal MRA [CP 0260](#) [‘Amendments to the MRA to reflect the United Kingdom’s withdrawal from the European Union without a deal’](#) was voted on and accepted at the MRA Development Board (MDB) meeting on 25 April 2019. This CP will be implemented the day following the UK’s formal withdrawal from the EU without a deal.

SEC

SEC Modification Proposal [SECMP0069 ‘EU Exit Changes’](#) was approved by the Change Board on 27 March 2019. The changes, which mainly remove references to the EU, the European Economic Area (EEA) and the Agency for the Cooperation of Energy Regulators (ACER), will go live on the day the UK leaves the EU.

SPAA

SPAA Change Proposal [SPC 461 ‘Brexit: Consequential Amendments to SPAA’](#) was raised to make two non-substantive amendments. SCP 461 was implemented on 28 March 2019 and the SPAA is considered ‘ready for Brexit’ in the event of both a negotiated exit and no-deal. The SPAA Secretariat and SPAA Executive Committee will continue to monitor developments but no further action is required at this time.

UNC

A number of minor changes to the UNC are required. In principle, these changes modify existing references to EU regulations with reference to UK amendment regulations and, where appropriate remove references to EU entities. Uniform Network Code (UNC) Modification [0680S ‘Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union’](#) was raised and a Panel decision has been deferred until it has certainty that the relevant European Union (Withdrawal) Act 2018 statutory Instruments will take effect.

The CACoP Engagement Day

We held our first CACoP Engagement Day in July 2019, which was well received by those industry representatives who attended. We presented an overview of the work of the CACoP Forum and the products we have produced, including the Horizon Scanner and the Central Modifications Register. We also held a feedback session where a wealth of suggestions were provided by attendees.

Since the Engagement Day, we have been working through the feedback, and have identified several workstreams that could be taken forward. We will be finalising our intended work plan at our October Forum meeting, and we will update the Forward Work Plan with our next steps.

Principle Focus



In this month's Principle Focus, we will be looking at the first principle, which requires Code Administrators to be critical friends. But what does this actually mean?

The CACoP describes a critical friend as a Code Administrator who provides support to all with an interest in the Code Modification process, but paying particular attention to under-represented parties, small market participants and consumer representatives. This means being transparent, open and independent, and ensuring all market participants can have their voices heard. So how do we do this?

A key aspect of a critical friend is in providing both support and challenge to a Modification. We help you to progress your proposal, but we will also ask the difficult questions to ensure the best outcome. We have to be honest, to ensure Proposers don't raise proposals that are essentially a failure of business processes on their part – not something you would want the whole industry to know!

When a Proposer first gets in touch, we work with them to develop their Modification prior to it being raised. We review their proposal and ensure we fully understand what they are trying to achieve, and consider whether it represents the best interests of the industry as a whole. We'll propose amendments to give it the best chance of success. We also challenge any unsubstantiated assumptions and make sure we're getting to the root of the issue.

We do encourage participation from as wide a spectrum of market Participants as we can. We will contact relevant market participants and consumer representatives that want to be involved or will be impacted. We aim to schedule meetings at convenient times, and we allow for participation via teleconference, videoconference or web forums.

We also work to ensure that smaller market participants' viewpoints are known and not stifled by larger participants. We recognise that smaller participants may be unable to attend meetings or respond to consultations. In these cases, we welcome any more informal input they have, and ensure these are fed into the wider discussions.

Throughout the process, we ensure all arguments for and against a Modification, however they are raised, are adequately discussed at Workgroup and Panel meetings. These points and any subsequent discussions are then recorded within the Modification documentation. We will remain impartial and not favour one view over another, though we will provide advice on the best way forward at each point, and on the consequences of any decisions, being mindful of any impact a change will have across different market participants.

A lot goes into being a critical friend, but we do it to ensure that the Modifications progressed are the best they can be. If you want more information on the support we provide, please get in touch with your Code Administrator.

We hope this newsletter has been useful to you. In the next edition we will look at CACoP Principle 2 and review the Brexit changes as well as providing an update on Cross-Code working.

If you have any questions or feedback on this Newsletter or what you would like to see in the future, please email us at cacop@gemserv.com or contact your Code Administrator.

The next edition of this Newsletter will be published in January 2020.