

Minutes of Code Change Committee

Meeting 05

18 July 2022

MS Teams

Status of the Minutes: Final

Anthony Pygram	AP	Independent Chair	Ulrike Hotopp	UH	Independent Member
Mike O'Connor	MO	Independent Member	Claire Yeates	CY	Retailer Member
Mike Rathbone	MR	Wholesaler Member	Matthew Glover	MG	Retailer Member
Paul Stelfox	PS	Wholesaler Member	Adam Boyns (Alternate)	AB	Customer Representative
Steve Creighton	SC	Alternative Customer Representative			

AFFILIATE MEMBERS PRESENT

Dan Mason	DM	Ofwat Affiliate Member	Sarah McMath	SM	MOSL Affiliate Member
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Sam Mawby	SMa	Secretariat
Nichola Vincendeau	NV	Secretariat/Presenter (items 5 & 6)			

OTHER ATTENDEES

Darren Hayes	DH	Ofwat	Sasha Pearce	SP	Ofwat
Stuart Boyle	SB	MOSL Presenter (item 3)	Amanda Hinde	AH	MOSL Observer
Huw Comerford	HC	MOSL Observer	John Gilbert	JG	MOSL Presenter (item 4)
Evan Joanette	EJ	MOSL Presenter (item 4)			

APOLOGIES

Christina Blackwell	CB	Customer Representative			
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1. Welcome and Introductions

- 1.1. The Chair welcomed members to the Code Change Committee meeting.
- 1.2. It was confirmed that the meeting was quorate.
- 1.3. AB attended as an alternate for CB who offered her apologies for the meeting.
- 1.4. Code Change Committee members were asked to declare any potential conflicts of interest in relation to the meeting agenda. No interests were noted.

2. Minutes and Outstanding Actions

- 2.1. The Committee noted the minutes from Code Change Committee 04 (22 June 2022) had been circulated for review. A minor amendment to the attendance list had been received prior to the meeting and the attendance list had been updated; the minutes were approved.
- 2.2. The following actions (in addition to the actions relating to Post Implementation Reviews) would remain open:

CCC01_08, CCC02_01 and CCC03_01 (the final action had an update as of June 2022 which was circulated to committee with the associated papers for the meeting).
- 2.3. It was agreed that committee would receive an update on the actions that are currently open in the September Code Change Committee meeting.

3. Change Report

- 3.1. SB presented a summary of the change report which had been circulated with the agenda. This highlighted the delivery programme, the upcoming changes, the changes that are currently on hold, those in the pipeline, consultations and Ofwat decisions.
- 3.3. The work on Supplier of Last Resort was discussed by the Committee; DM explained the work currently being undertaken by Ofwat and Defra with a view to improving the current arrangements.
- 3.4. Committee members requested a brief explanation from SB of why changes drop down the list of pipeline changes in the Change Report from month to month. This would give context and ease the work of monitoring the change process.

ACTION CCC05_01

- 3.5. The Code Change Committee:
 - **NOTED** the change report.

4. Gate 3 – CPW070f Bilaterals: Delaying B3 ‘Meter Accuracy Test’ from Phase 4

- 4.1 The Code Change Committee considered the draft recommendation report for CPW070f ‘[Bilaterals Transactions](#)’ which sought to defer the implementation of the B3 Process (Meter Testing) and related amendments which would otherwise have taken effect on 2 August 2022 (as originally set out in CPW070d).
- 4.2 CPW070f also set out code amendments to deliver an enduring solution for how Trading Parties (TPs) should manage large volumes of Bilateral Transaction Service Requests. The solution aimed to ensure that TPs avoid ‘stockpiling’ and submitting large quantities of Requests simultaneously. Instead, Requests should be submitted in manageable volumes and TPs should communicate their intentions beforehand where data cleanse operations might create larger-than-usual volumes.
- 4.3 JG gave an update on the Programme headlines and the progress so far with the Bilaterals project. He invited the committee to consider delaying B3 as, although this would have an impact on Trading Parties, pushing ahead posed a greater risk of negatively impacting customers as there had been insufficient time to thoroughly test the process. The B1 and B7 elements of the code have been tested and were in the final stages before rolling out to the hub.

- 4.4 EJ explained that the change before the Committee retains B1 and B7 for implementation on 2 August and simply delays B3. It was noted that Ofwat had been engaged in the proposed approach and was fully sighted on the change.
- 4.5. Committee members noted that it is important that comments and discussions when this first came to committee should not be lost, namely that the bilateral hub has not resolved all the issues identified in change proposal [CPW067 - Bulk Submissions of Service Requests by MS Excel](#)
- 4.6. There were concerns raised about the amount of work being pushed to the end of the programme (i.e. into Phase 6) and that some processes were not deliverable within CPW070, like Process H1 - Application for an allowance and/or volumetric adjustment or Wholesaler notice of review and/or change of allowance.
- 4.7. It was acknowledged that there would be a larger number of processes in Phase 6. CPW070 was scoped to deliver a bilaterals hub that covered 80% of bilateral transactions but the programme will actually cover 89% of transactions, outperforming its scope. Other transactions would need to be delivered outside of the programme. The team recognised there was a pull for this and some processes like H1 were on a list to be delivered post CPW070 and was already under review by OAG.
- 4.8. The Presenters acknowledged that lessons had been learned from the need to delay B3. There had been consultation with the OAG and an increase in meeting cadence.
- 4.9. MOSL noted that feedback from Trading Parties was that customers were still benefiting from the hub in its current iteration and benefits exceeded original expectations.
- 4.10. While the proposed code drafting gave flexibility for B3 to be rolled out with two months notice, the expectation was that it would be delivered on 30 November with the rest of Phase 6 processes.
- 4.11. The Code Change Committee:
 - **AGREED** (unanimous) to recommend that Ofwat approve CPW070f: Phase 4 Bilateral Transactions (Holding back implementation of the B3 Process);
 - **AGREED** (unanimous) that the rationale outlined in CPW070f better facilitated the principles of the MAC (Market Arrangements Code) and WRC (Wholesale Retail Code); and
 - **AGREED** (unanimous) to recommend that, if approved, CPW070f be implemented on 2 August 2022, if Ofwat approval was received by 29 July 2022.

5. Code Change Committee Conflicts of Interest Guidance

- 5.1 The Code Change Committee considered a paper outlining a proposed approach to identifying and managing conflicts of interest for the committee members.
- 5.2 The Committee disagreed with the recommendation to retain the register of interests with the secretariat. CCC Members were unanimous that they were happy with their Declarations of Interest to be published to improve transparency.
- 5.3 Committee Members were unanimous that an inherent conflict existed between the roles of a change proposer representing a trading party and a committee member. The former attended to represent their organisation in relation to the proposed change and the development of its solution; the latter was required to not represent any single party, or class of parties. The CCC was unanimous that Committee members could not act as a change proposer for a trading party and a voting Committee member simultaneously.
- 5.4 The Committee considered the issues around when a Committee Member's Home Organisation made a Change Proposal, and whether a committee member should participate as a Committee member and vote in these instances. The Committee noted it was proposed that Committee Members should individually consider their position and declare a potential conflict in these circumstances but that, since both they and their organisations had signed declarations to confirm their impartiality, they might only absent themselves from participation where they were particularly close to the change or carried additional conflicts (unrelated to their role as an employee of a trading party) in relation to the change. The Committee indicated that it would like to see a redraft which did not envisage committee members voting in this circumstance.
- 5.5 The Committee considered the point at which a Committee Member, either proposing a change or working for the same Home Organisation as a change proposer, should be excused from discussions. CCC Members were unanimous that there should, in this instance, be full participation in discussion but that they would not take part in voting.
- 5.6 The Committee considered issues around proposals coming from Committees or Working Groups where a Change Code Committee Member was part of the decision process to bring a change proposal to the CCC. There may be exceptions for Trading Party groups, but it was agreed that in the case of sub-committees of the Strategic Panel, the members of such committees had signed releases and these commitments should prevail. With Industry Group proposals, the Committee was inclined for the potentially conflicted member to take a case-by-case view.
- 5.7 The Code Change Committee:
 - **AGREED** (unanimous) to make further revisions to the guidance which would be submitted to the committee for approval at the next committee meeting.

ACTION CCC05_02

6. Code Change Committee Alternates Working Practice

- 6.1 The Code Change Committee considered a paper outlining a proposed approach to appointing Alternate members when Code Change Committee (CCC) members were unable to attend meetings or when there were potential or actual conflicts of interest for CCC members.
- 6.2. The Committee agreed that alternates could be made available for a whole meeting if the committee member is absent and that there could be an alternate for any agenda item (including a single agenda item) in the case of a conflict of interest.
- 6.3. The Committee discussed the different approaches to nominating alternates and agreed that it would be best practice to form a Pool of Alternates that will be small in number and available for any instance of absence or an agenda item where there was a potential conflict of interest for a committee member.
- 6.4. The Committee agreed that whilst it was best practice to nominate an alternate in advance of Paper Day wherever possible, that if there was a need to draw from the pool of alternates at shorter notice, the Chair would be able to use their discretion. Quoracy was considered as part of the discussion and the committee can function without the necessity to nominate last-minute alternates. There is provision in the MAC for Urgent Code Change Committee meetings if it is impossible to achieve quorum for a meeting.
- 6.5. The Committee requested that MOSL advertise for nominees for a pool of alternates and that these nominees would be interviewed by the Chair, Ofwat and MOSL with the Chair making final determination on whether or not to approve their nomination.
- 6.6. The Code Change Committee:
 - **AGREED** (unanimous) to make further revisions to the approach which would return to the committee for approval at the next meeting.

ACTION CCC05_03

- 6.7. The Chair thanked colleagues for their input and the Open Session of the meeting was closed at 12.50pm

Closed Session

7. Committee Reflections

- 7.1. Committee members were invited to share their reflections on the meeting and the workshop. MOSL colleagues were thanked for their hard work in turning the meeting around

from a face-to-face meeting to an online one and committee members were thanked for their full participation in the sessions.

- 7.2. The Chair invited members to send any further reflections on the day to him via email.
- 7.3. The Chair closed the meeting at 5pm.