

Trade Effluent Issues Committee Terms of Reference v1.0

The Trade Effluent Issues Committee (TEIC) has been established by the Panel in accordance with Sections 5.2.1 (p) and Schedule 12 of the Market Arrangements Code (MAC).

Unless otherwise stated the words in this Terms of Reference (ToR) shall have the meanings and application attributed to them under the MAC and Wholesale Retail Contract (WRC).

Changes to the ToR can be proposed to the Panel at any time. All changes to the ToR will be voted on in line with the Panel working practice.

1. Objectives and Principles

The purpose of this TEIC is to offer expertise on matters relating to Trade Effluent as defined in CSD 0206 (Trade effluent process), Part G of the Operational Terms and associated market codes.

The TEIC will act as an advisory group to the Panel and its objectives are to:

- 1) Identify and document any market impacting Trade Effluent issues; and
- 2) Consult or advise on any Trade Effluent Change Proposals, to which end the group shall:
 - a. Review and (where appropriate) support development of proposed solutions to ensure a technically workable, effective and satisfactory outcome is recommended and can be implemented;
 - b. Explore and recommend alternative solutions; and
 - c. Assess whether any Trade Effluent impacting Change Proposals or solutions, on balance, facilitate the Objectives and Principles of the codes, or suggest appropriate alternatives.

It is important to note that the Proposer of any Change Proposal, or the issuing party of any market affecting Trade Effluent issue and risk, will remain responsible for the progression of the item through the Change Process. The Panel has agreed the TEIC will be set for a period of 12 months, this may be extended if an assessment is agreed which outlines the need for the Committee to continue and will be determined for a set period of time.

2. Roles and Functions

The TEIC shall assess the risks and issues relating to the delivery of the non-household Trade Effluent services in the market to identify any impacts on the market codes.

The Panel has delegated the following functions to the Committee:

- Provide detailed and expert impact assessment reports on current Trade Effluent market risks;
- Recommend action or resolution to the identified market risk;
- Provide detailed and expert reports to the Panel; and
- Make recommendations to the Panel on any changes to the market codes.

For avoidance of doubt, the TEIC will not seek to address, change or otherwise modify any market relating issues that constitute legislative adjustment under the Water Act section 119 and Section 120 or other

legislative framework guiding or determining Trade Effluent provision in England and Wales. Should there be any identification of such issues, these will be confined to the matters reasonably impacting or addressed within the market codes.

3. Membership

3.1 Chair and Secretary

The Market Operator shall appoint the Chair of the TEIC. The Chair's role will be to chair meetings, facilitate discussions, and encourage consensus but shall normally have no casting vote.

The TEIC shall have a Secretary who shall be a person provided by the Market Operator. They will be responsible for taking the minutes, agreeing and circulating agendas, scheduling meetings and producing the papers and reports, on behalf of the TEIC. The Secretary will also attend meetings to support the activities of the Group and advise on the market Codes and change control matters.

The Secretary will neither vote nor be a member of the Committee.

3.2 Voting Members

The TEIC shall comprise of 10 voting members, made up of the pool of experts in the field with:

- Five (5) Wholesalers (with experience in Trade Effluent); and
- Five (5) Retailers (with experience in Trade Effluent).

Each TEIC Member shall act impartially and independently of the interests of their employer and of any person or class of persons, in exercising the functions under Schedule 12 of the MAC.

Before being appointed as a TEIC Member, each Member shall provide a Member confirmation to the Market Operator that they agree to being a TEIC Member. Members must also provide a letter from their employer agreeing that they may act as a Trade Effluent Issues Member, in accordance with Schedule 5.7.1 of the MAC.

The Chair may vote only in the event that there is a split vote.

3.3 Non-Voting Members

The following non-voting members are entitled to attend, to speak but not vote at any TEIC meeting:

- The Market Operator (a Lead Analyst for Trade Effluent or representative);
- An observer representing the Environment Agency (EA);
- An observer representing Ofwat;
- A consumer representative; and
- Panel Sponsor.

3.4 Other Attendees

Other individuals may be invited to attend all or part of any TEIC meetings as agreed in advance by the Chair, or delegated authority, to assist the Issue Group in its deliberations or assessments.

The TEIC meetings shall be open and may accept observers where notification and agreement has been achieved through the Secretary by the Chair. Observers can only speak with prior consent of the Chair, however the TEIC may invite individuals to attend and speak on specific matters under consideration where they would otherwise be considered observers to the meeting.

4. Quorum and Decision Making

No business is to occur at the meeting unless a quorum is present. A quorum is a minimum of at least six (6) voting TEIC Members comprising of an equal mix of Wholesalers and Retailers.

TEIC Members must inform the Secretary if they or their Alternate is unable to attend at least five (5) Working Days prior to the meeting.

If a Quorum of TEIC has not confirmed attendance, the Chair may determine that the meeting should be cancelled and a notification be issued to TEIC Members no later than five (5) Working Days prior to the meeting. The meeting will be deemed as cancelled if no TEIC Members has notified the Secretary that he or she objects to the cancellation, not later than three (3) Working Days before the meeting.

In the event that a meeting of the TEIC Members is convened and a quorum is not present within one hour, the meeting will be adjourned and re-scheduled by the Secretary at the earliest convenience.

A meeting shall be quorate if the necessary members are present in person at the meeting or are contactable by telephone conference call.

4.1 Voting Procedure

Votes will not be attributed or attributable to any individual members of the TEIC. Any matter put to a vote will be determined by a simple majority of voting members.

When voting on any matter, each voting TEIC Member shall be entitled to one (1) vote.

5. Secretariat

The Market Operator will provide secretariat services and appoint a Secretary. The Secretary will neither vote nor be a member of the Committee. The Secretary is the officer of the Committee that is responsible for its administration. The Secretary must have integrity and must not only be, but also be seen to be, impartial and free from proximity to vested interests. The work of the Secretary encompasses:

- Convening of TEIC meetings, provision of relevant papers and materials and taking minutes of meetings;
- Maintaining registers of Committee Members, interests, contracts and agreements;
- Communicating with the Panel, Trading Parties and Ofwat on behalf of the Committee;
- Management and administration of the Committee Member appointment processes; and
- Supporting the Committee Chair in ensuring compliance with regulations and obligations by Committee and Panel Members (and the Committee and Panel as a whole).

6. Proceeding of Meetings

6.1 Frequency of Meetings

The TEIC will meet as and when required, but meetings may be cancelled if there is insufficient business on the agreement of the Group Chair. In such cases, the Secretary will notify Members (and confirm on the website) that the meeting is cancelled not later than five (5) Issues Days prior to the meeting. The meeting will be deemed as cancelled if no TEIC Member has notified the Secretary that he or she objects to the cancellation, not later than three (3) Issues Days before the meeting.

Additional meetings may be held at such a time and place as notified to the members by the Secretary, in accordance with these ToR.

Unless otherwise decided by the Panel, the Secretary shall convene the TEIC meetings by giving notice via email at least ten (10) Working Days prior to the proposed meeting, accompanied by publishing an agenda and any non-confidential papers on the website, as necessary. A copy of such notice and papers shall also be sent to any Alternate appointed.

The custom practice is that there will be no late papers issued outside of the agreed meeting notice period. From time to time, there may however be a need for additional matters or late papers, and the approach will be agreed by the Chair on a case by case basis. The Secretary will provide notice to the Committee members and the other persons entitled to receive notice, as soon as reasonably practical. Late papers will only be considered upon the agreement of TEIC members.

6.2 Meetings via teleconference

A meeting of the Issues Group may consist of an intermediate teleconference by members of the Issues Group. A TEIC member taking part in the meeting in this way shall be deemed to be present in person and is entitled to vote and be counted in the quorum accordingly.

6.3 Minutes of the Meeting

The Secretary shall minute the discussions and resolutions of the meetings, including the names of those in attendance. Draft minutes will be circulated to TEIC Members as soon as reasonably practical after the meeting, where approval will be sought at the next meeting. Following TEIC Members approval, the minutes will be published on the Market Operator's website.

The Secretary will also provide regular updates to the Panel on the activities of the TEIC, in the form of a monthly (or otherwise agreed) Committee Report, as determined by the Panel and agreed by the Committee Chair.

6.4 Recording and Broadcasting

For transparency, audio and/or video recording may be made of TEIC meetings. Additionally, the open session of committee meetings may be broadcast by webinar. The agreed policy regarding recording and webinar broadcasting is as approved by the Panel and published on the Market Operator website.

7. Transparency and Confidentiality

The TEIC meetings are open and public. While custom practice will be to allow any person to attend the open session of TEIC meetings, provided that the Secretary is notified and prior consent of the Chair is required (and that such approval will not be unreasonably withheld), exceptions may apply which call for a closed meeting session. Such exclusions include where confidential information will be considered shall be held in confidence.

There is a preference of all agenda items to be taken in open sessions where at all possible.

In the event of closed session papers, the necessary paperwork will be circulated to TEIC Members and will not be published on the Market Operator's website.

8. Conflict of Interest

TEIC Members shall declare in advance any actual or perceived conflict of interest.

In the event of any conflict of interest is declared by a Committee Member, the Member shall notify the Secretary for the matter to be discussed at the next appropriate Committee meeting. At the Committee meeting, the members shall decide the most appropriate course of action.

9. Expenses

Any Committee member who is not employed by the Market Operator can claim reasonable expenses incurred in attending meetings or otherwise conducting business. The agreed Panel and Committee Expenses Policy is published on the Market Operator's website.

10. External Communication

Members may be approached by members of the press or requested to speak at public events either on behalf of the Committee or in personal capacity. The agreed Communication Policy is as approved by the Panel and published on the Market Operator's website.