

MARKET ARRANGEMENTS CODE CHANGE PROPOSAL

Change Proposal Reference <i>(To be completed by the Panel Secretary)</i>	CPM006	Version No	1.0
Type of Change Proposal:	Code Change Proposal		
Submission Date	7 th November 2017		
Title: of Market Arrangements Code Change Proposal	Introducing a process for Urgent Change Proposals		
Summary: of Market Arrangements Code Change Proposal <i>(40 to 50 Words Maximum)</i>	This Change Proposal seeks to introduce a process for progressing Urgent Change Proposals to the market codes. A Change Proposal will be considered an Urgent Change Proposal, where the Panel (or the Authority) agree the case for urgency made by the Proposer meets Ofwat's published criteria.		
General Details of the Proposer			
Name of Proposer	Rebecca Mottram		
Capacity (on behalf of a Trading Party, as a Panel Member, as the Customer Representative or the Market Operator).	MOSL (Market Operator)		
Contact Email	Rebecca.Mottram@mosl.co.uk		
Telephone Number	07948466712		
The Proposer recommends that this Change Proposal should: <i>(delete as appropriate)</i>	Proceed to Assessment		
	Proceed to Consultation		
	Proceed to Recommendation		
Is the change Urgent (Yes/No)? If yes, please provide reason for urgency (if applicable)	No		

Related Documents

Reference of any associated Code Panel Market Arrangements Code Change Proposal

N/A

Documents Accompanying Form

- CPM006 – Initial Written Assessment v1.0
- Attachment 2 – CPM006 – Proposed MAC legal text v1.0
- Attachment 3 – Draft Ofwat Guidance on Code Modification Urgency Criteria v1.0

Market Arrangements Code Change Proposal Details

Description of the issue or defect which this Market Arrangements Code Change Proposal seeks to address, as required under the Market Arrangements Code Section 7.1.2(b).

Sections 6 and 7 of the Market Arrangements Code (MAC) - *Change Process for the WRC and MAC*, contain provisions that allow Trading Parties to state whether a Change Proposal should be considered as urgent, when completing a Change Proposal form. However, no formal process is detailed in the MAC to ensure the timely progression of these such changes.

To ensure that only those Change Proposals which are considered to be urgent are progressed in such a manner, Ofwat has produced a guidance document which sets out criteria to be applied when deciding whether a Change Proposal should be treated as “urgent”.

This guidance sets out the factors the Panel, or the Authority, will consider in reaching a decision on urgency in the context of the Change Proposal. This guidance is intended to be illustrative and not exhaustive. Each request for urgency will be considered on a case by case basis by reference to the guidance.

Description of the Market Arrangements Code Change Proposal, its nature and purpose and how it is consistent with the Market Arrangements Code Principles and required under the Market Arrangements Code Section 7.1.2(c)

This Change Proposal seeks to introduce a process by which Change Proposals considered by the Proposer to be urgent, will be determined by the Panel, or the Authority, before being progressed in such a manner. The Proposer, Panel and the Authority should refer to Ofwat’s published guidance on Code Modification Urgency Criteria (see Attachment 3 for the draft document), in order to determine if a Change Proposal is urgent.

The benefit of introducing a process for Urgent Change Proposals, is to allow the Panel, or the Authority, to set a constrained timetable for assessing and progressing the Urgent Change Proposal, based on the matter at hand.

Sections 5, 6 and 7 of the MAC, as well as two new definitions in Schedule 1, have been amended to introduce a new process that allows the Panel, or the Authority, to determine whether a Change Proposal should be considered an Urgent Change Proposal. If the Panel do not agree with the Proposers’ recommendation, then the Change Proposal will be submitted to the Authority to decide.

This Change Proposal also introduces provisions of Urgent Panel Meetings to be convened to consider Urgent Change Proposal. In the event a quorum of the Panel cannot be reached, the decision making would require simple majority. In addition, if efforts have been made to convene an Urgent Panel Meeting and at least 6 Panel Members are unavailable, provisions for the Panel Chairman to make a decision have been included.

Where the Panel Chairman is unavailable, provisions for an Independent Director of the Market Operator, and in the absence of both of them, a Panel Member nominated after consultation with the Authority, have also been included.

This process is summarised below:

1. The Proposer submits a Change Proposal to the Panel Secretariat and states in the Change Proposal form that it should be considered as urgent, including any rationale to support it.
2. Within 3 Business Days of receiving it, the Panel Secretariat will submit the Change Proposal to the Panel, with any evidence to support it.
3. As soon as practicable following receipt of the Change Proposal, the Panel Chairman shall direct the Panel Secretary to convene an Urgent Panel Meeting in such manner and on such notice as the Panel Chairman considers appropriate, and such that, where practicable within the time available, as many Panel Members as possible may attend.
4. At the Urgent Panel Meeting, the Panel will decide if the Change Proposal is an Urgent Change Proposal and will provide a timetable and/or process for the Urgent Change Proposal to the Panel Secretary. This will include the date by which any assessment work should be considered at a Panel meeting (or Urgent Panel Meeting) and the date by which the Panel Secretary should provide a Final Report in relation to the Urgent Change Proposal.
5. Where it becomes apparent, in seeking to convene an Urgent Panel Meeting that a quorum will not be present, or that the Urgent Panel Meeting is not quorate and it is not possible to rearrange such meeting within the time available, the Panel Chairman shall endeavour to contact each Panel Member individually in order to ascertain such Panel Member's vote, and any matter to be decided shall be decided by a majority of those Panel Members who so cast a vote.
6. Where the Panel Chairman is unable to contact at least 6 Panel Members within the time available, the Panel Chairman may decide the matter (in consultation with the those Panel Members (if any) which he managed to contact) provided that the Panel Chairman shall include details in the relevant Final Report of the steps which he took to contact other Panel Members first.
7. Where the Panel Chairman is unavailable, this role would be filled by an Independent Director of the Market Operator, and in the absence of both of them by a Panel Member nominated for the purpose by the Panel Chairman after consultation with the Authority.
8. Where the Panel does not agree that the Change Proposal should be treated as an Urgent Change Proposal, the Panel Secretary will send the Change Proposal and any evidence to support it to the Authority within three (3) Business Days of the Panel's decision.

9. As soon as practicable following receipt of the Change Proposal, the Authority will decide if the Change Proposal is an Urgent Change Proposal and will provide a timetable and/or process for the Urgent Change Proposal to the Panel Secretary. This will include the date by which it should be considered at a Panel meeting and the date by which the Panel Secretary should provide a Final Report in relation to the Urgent Change Proposal. The Panel Secretary shall ensure that the Urgent Change Proposal is placed on the agenda for one or more duly convened meetings in accordance with the Authority's timetable and/or process.

10. If the Authority decides that the Change Proposal is not an Urgent Change Proposal and informs the Panel Secretary of its decision, the Panel Secretary will manage the Change Proposal in accordance with existing process for Change Proposals in paragraphs 6.3.1(a) and 7.2.1(a).

Please note, provisions have also been added to state that an Urgent Change Proposal may not be withdrawn without the consent of the Authority.

To introduce the process detailed above, the following sections in the MAC have been amended, as further detailed in the proposed legal text in Attachment 2:

- **Section 5:** 5.8.2(b)
- **Section 6:** 6.2.1(d), 6.3.1(a), 6.3.1(d), 6.3.2 & 6.3.3
- **Section 7:** 7.1.2(d), 7.2.1 (d), 7.2.1(a), 7.2.2 & 7.2.4
- **Schedule 1**

Principles

Description of the principles affected by the Change Proposal on the items below (if applicable) as detailed under Schedule 1 Market Arrangements Code Principles and Definitions

Principles	Affected (Y/N)	Description
Efficiency	Y	This Change Proposal introduces a process for considering Urgent Change Proposals, so that they can be progressed in a timely matter. These changes will enable efficient decision making and management of Urgent Change Proposals by allowing the Panel, or the Authority, to set constrained timetables for the assessment and progression of the Urgent Change Proposals, such as convening Urgent Panel Meeting.
Proportionality	N	
Transparency	Y	The changes proposed by this Change Proposal will

		enhance the existing provisions in relation to the Change Process, making them clearer expressed and further defined.
Barriers to entry	N	
Non-discrimination	N	
Customer participation	N	
Seamless markets	N	
No limit on upstream competition	N	
Description of any consultation carried out in advance of the Market Arrangements Code Change Proposal being made (if any), as required under the Market Arrangements Code Sections 7.1.2(f).		
This Change Proposal has been developed by the Market Operator and supported by Ofwat.		
Further Information		
N/A		

Key	
	To be completed by the Market Operator
	To be completed by the Proposer