Appendix A (Solutions)

Assessing the Proposed Solutions

As part of the Review Proposal, the proposer outlined some potential solutions aimed at resolving the perceived problems. These solutions have been explored further at meetings of the IGT UNC Modification Workstream and have been supplemented following further work between the proposer and the Code Administrator. The analysis below attempts to consider to what extent the potential solutions resolve the problem statements summarised in the RFI. This exercise is designed to support parties who agree that the current governance provisions for the IGT UNC and the UNC are not as beneficial to the Industry as they could be.

1. **To amalgamate all common areas of the IGT UNC and the UNC into the UNC and to make all those areas that are not common to both Codes an Ancillary Document to the UNC**

   - This proposal would see a full merge of the IGT UNC and the UNC. It could almost remove the entire governance structure under the IGT UNC, albeit there would still remain the individual Network Codes for the IGTs (INCs), unless through an amended Joint Governance Agreement (which may also require possible licence changes) the UNC governance also included the modification process for these INCs.

   - This proposal would result in no need for consequential changes to the IGT UNC resulting from changes to the UNC and therefore could result in less purely administrative work to ensure the upkeep of the IGT UNC.

   - This proposal would not necessarily increase cross-industry engagement at solution development workstreams. In fact, if meetings were to address a wider range of topics under the new model, there may be less relevance for a greater proportion of the meeting for many parties, which may lead to reduced overall engagement.

   - Without an IGT UNC Panel in existence, quoracy would not be an issue. However, IGTs will need to be adequately represented and protected under new governance mechanisms, which could require a change to existing UNC structures and rules, including amendments to the Modification Rules for proposed changes to the new Ancillary Document.

Administered by

Gemserv

2. **To create a common UNC and IGT UNC modification process so that when a modification is raised under the UNC it considers the IGT UNC, and requires any changes to the IGT UNC legal text to be produced simultaneously**

   - Under this proposal, the two Code structures would be retained; however, a mechanism would be put in place to ensure that any changes to the UNC take into account required consequential changes to the IGT UNC (and possibly vice versa).

   - This proposal furthers Principle 13 of the Code Administration Code of Practice (CACoP), which states that Code Administrators will communicate, coordinate and work with each other on modifications that impact multiple Codes to ensure changes are progressed efficiently.

   - Business rules will be key to defining how a common modification process would work and could proceed as follows:

   - **Option A** – A special type of modification proposal is raised by either party to the IGT UNC or UNC. This would then be viewed by both the IGT UNC Panel and UNC Panel and, if accepted, **MUST** be referred to a Joint Workgroup meeting for discussion. The modification process is identical to those now in both Codes, and a joint Workgroup report would be produced, presented to the respective Panels, and again if accepted, a DMR sent out for a joint consultation (both IGT UNC & UNC legal text should be available at this stage). (*N.B Both Panels will be able to determine that at any time up to the point where the recommendation on the FMR is made, that the joint modification process should discontinue. At this point individual Code modifications could then be progressed under single governance if desired).* An FMR would be produced and the UNC Panel would vote on the implementation, consistent with the current UNC voting process. Agreement to implement (either by the UNC Panel or by the Authority) will be a direction to change both the UNC legal text and the IGT UNC legal text – e.g. both Code Administrators will make the required changes to their respective legal texts via a Code release which will be aligned.

   - **Option B** – Separate modifications are raised at the same time and follow a similar modification process via joint workgroups to develop modifications and legal text concurrently. Voting rights will remain separate and implementation aligned. The driver for this Option could be that UNC and IGT UNC impacts would be discussed at the same time and in the same (joint) workgroup thus eliminating the need for separate IGT UNC workstream discussion.

   - It is unlikely that either of these solutions would increase participation at IGT UNC Workstreams or Mod Panels; however, they may decrease the amount of time spent considering Modifications with only consequential impacts resulting from UNC changes.

3. **To amend the IGT UNC to reference the UNC at a much higher 'section type' level rather than at the clause level**

    ◆ This proposal intends to limit the volume of consequential changes required to the IGT UNC, as changes to the detail within main clauses in the UNC would not impact on a high-level referencing in the IGT UNC.

    ◆ This proposal would also likely decrease the amount of time spent considering Modifications with only consequential impacts on the IGT UNC.

    ◆ This proposal may result in changes being made to the UNC that do not require a consequential change to the IGT UNC, but that do impact IGT UNC parties because of the high-level referencing. This may lead to an increased risk that changes are implemented into the UNC without the requisite consideration in the IGT UNC.

    ◆ It would also require a detailed section by section analysis of the IGT UNC to fully understand why referencing at a lower level was originally put forward and approved.

    ◆ It is unlikely that this solution would increase participation at IGT UNC Workstreams or Mod Panels.

    ◆ During workgroup discussions IGT representatives present at the meetings noted that this option is not viable as rational included in IGT039 set out why areas of Code needed to remain granular. This suggestion has not been discussed by the workgroup, and therefore the option does remain a suggested solution in this paper.

4. **To put the IGT UNC (and its Ancillary documents) in their entirety into the UNC as a separate section, akin to the IGTAD**

    ◆ This proposal would see a full merge of the IGT UNC and the UNC. It would remove the entire governance structure under the IGT UNC (as per Option 1).

    ◆ This option introduces the same benefits and risks as per Option 1, except the decision-making rules under this option could be split out from existing governance, and a risk is retained that there could be cross-referencing errors introduced over time if changes are not reflected between two aligned sets of obligations.

Administered by

Gemserv

5. **Allowing the Code Administrator to raise non-material modification proposals on behalf of industry in order to cut down on duplicated resource, and reduction in the frequency of modification workstream meetings.**

- This proposal would address the proposer's concerns that current IGT work is administrative and duplicates resource. This option may also encourage better engagement in the Workgroup meetings, as holding less frequent meetings would mean that agendas would be fuller. This would not limit the Code Administrator from holding ad-hoc Workgroup meetings if there was an urgent modification in the process.
- Any modification proposals raised would have to meet Fast Track Self-Governance requirements.
- This option would still require businesses to retain IGT UNC expertise and to monitor IGT UNC related change separate to UNC change, and may not fully address the need for close cross-code monitoring.

6. **'Do nothing approach'**

- This proposal would see IGT UNC governance remain 'as is' and would continue to administer the IGT UNC separate to the UNC.
- This solution may appeal to those who do not identify that there is an issue with the current governance arrangements, or feel that there may be issues, however these are not urgent enough for further radical change at this time due to the imminent introduction of other major industry change such as Faster switching and the Retail Energy Code.

Summarising the Solutions

When comparing the solutions against the proposed drivers for change, it can be considered that each proposal addresses Problem #1 to an extent, by reducing the administrative burden on parties through varying methods. No option would appear to address the issue with engagement per se, although the options whereby the Codes were to fully merge would negate the need for separate panels and Workstream meetings entirely.