

THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN

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THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE REVIEW PANEL OF GREAT BRITAIN

1. NAME

The **Panel** shall be called the Distribution Code Review Panel of Great Britain.

2. DEFINITIONS AND INTERPRETATIONS

2.1 The following words and expressions shall have the following meanings in this Constitution:

“**Business Day**” means any weekday (other than a Saturday) on which banks are open for domestic business in both the City of London and in Scotland;

“**Chairman**” means the person appointed by the DNOs and named as such under clause 5.3 or the person appointed from time to time under clause 8.1; all references herein to “**the Chairman**” shall, where the context so admits, include any person appointed to perform the duties of the Chairman in the absence of the Chairman;

“**Constitution**” means the constitution and rules of the **Panel** set out herein and as amended from time to time, subject to the approval of the Authority;

“**Distribution Code**” means the distribution code drawn up and from time to time revised pursuant to Condition 21 of the Distribution Licence;

“**IDNO**” means an independent Distribution Network Operator, being a holder of a distribution licence which does not have a distribution services area and who is not an ex Public Electricity Supplier;

“**ITCG**” means the Industry Technical Codes Group referred to in DGC4.6 of the **Distribution Code**;

“**Member**” means a person duly appointed pursuant to clause 5 to be a Member of or the Chairman of the **Panel**;

“**Panel**” means the Distribution Code Review Panel;

“**Secretary**” means a person duly appointed by the DNOs pursuant to clause 9.1 and named as such; and

“**Qualifying Standard**” means a technical standard in use by one or more DNOs and included in the **Panel**’s governance procedures, and falling into one of the categories below:

- (1) **Annex 1 Standard**
- (2) **Appendix 2 Standard**
- (3) **Individual DNO Standard**

- 2.2 Except as otherwise provided herein and unless the context otherwise admits, words and expressions used herein shall have the same meaning as defined in the **Distribution Code**.
- 2.3 Words importing the singular only, also include the plural and vice versa where the context requires. Words importing the masculine only, also include the feminine.
- 2.4 Headings and titles shall not be taken into consideration in the interpretation or construction of the words and expressions used herein.
- 2.5 References to “in writing” or “written” include typewriting, printing, lithography and other modes of reproducing words in a legible and non-transitory form and includes suitable means of electronic transfer, including “electronic mail”.

3. CONSTITUTION

The **Panel** is a standing body established and maintained by the DNOs pursuant to DGC 4.1 of the **Distribution Code**.

4. OBJECTIVES

- 4.1 The objectives of the **Panel** shall be the following objectives, and such further objectives as may be attributed to the **Panel** by the **Distribution Code** from time to time:
 - (a) to keep the **Distribution Code** and its working under review, including any necessary requirements for maintaining variations for Scotland and England and Wales;
 - (b) to minimize the necessary differences in the treatment of issues in Scotland from their treatment in England and Wales;
 - (c) to review all suggestions for modifications to the **Distribution Code** which any Member is requested, on behalf of the Authority or a User, to submit to the Secretary for consideration by the **Panel** from time to time;
 - (d) to publish recommendations as to modifications to the **Distribution Code** that a DNO or the **Panel** feels are necessary or desirable and the reasons for the recommendations;
 - (e) to issue guidance in relation to the **Distribution Code** and its implementation, performance and interpretation when asked to do so by any Member at the request of any User;
 - (f) to consider what changes are necessary to the **Distribution Code** arising out of any unforeseen circumstances referred to it by a DNO under DGC3 of the **Distribution Code**;
 - (g) to produce an Annual Report on the activities of the **Panel**;

- (h) to establish and maintain governance arrangements for **Qualifying Standards** that have a material effect on Users of the Distribution System as follows:
 - (1) national electricity industry standards that implement **Distribution Code** requirements, and which are listed in Annex 1 of the **Distribution Code** and form part of the **Distribution Code**;
 - (2) other national electricity industry standards that have a material affect on Users but do not implement **Distribution Code** requirements and which do not form part of the **Distribution Code** technical requirements. The **Panel** will maintain a list of these standards. For convenience this list is attached as Appendix 2 to the Guide to the **Distribution Code**; and
 - (3) standards adopted by individual DNOs, which are published as such by those DNOs and which have a material effect on Users;
- (i) to maintain a detailed procedure for the overall governance arrangements for **Qualifying Standards**, which shall be agreed by resolution of the **Panel** from time to time; and
- (j) to have regard for commercial matters insofar as they interact with the **Distribution Code** and take into account the commercial implications of **Distribution Code** provisions when developing modifications to the **Distribution Code** and Annex 1 Standards and Appendix 2 Standards. However the **Panel** shall not be required to discuss issues relating solely to commercial matters.

5. MEMBERSHIP

5.1 The **Panel** shall consist of:

- (a) a **Chairman** and up to 5 **Members** appointed by the ITCG, at least one of whom will be a Member of the GB Grid Code Review Panel and at least one of whom will be an **IDNO**;
- (b) a person appointed by the **Authority**;
- (c) the following Members;
 - (1) 2 persons representing onshore **Generators** with **Embedded Generating Plant** who are **BM Participants** and are active (ie submitting bid-offer data) in the Balancing Mechanism
 - (2) 2 persons representing onshore **Generators** with **Embedded Generating Plant** other than **Generators** referred to in (1) above;
 - (3) 2 persons, other than **Suppliers**, representing **Users** without **Generating Plant**; and
 - (4) a person representing the OTSO
 - (5) a person representing **Suppliers**; and
- (d) a person representing customers appointed by the **National Consumer Council**

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- 5.2 The Members appointed to represent the persons referred to in paragraph (c) of clause 5.1 shall be nominated by the Chairman with the approval of the Authority.
- 5.3 If at any time any person or group of persons entitled to appoint a Member or Members shall not have made an appointment and/or shall be in disagreement as to whom to appoint, the Chairman shall request the Authority to make such appointment and the Authority shall have the right, until the relevant person or group of persons has decided upon an appointment and notified the Authority accordingly, to appoint a Member or Members on behalf of that person or group of persons, and to remove any person so appointed by the Authority.
- 5.4 No person other than an individual shall be appointed a Member or his alternate.
- 5.5 At the last meeting of the **Panel** in each alternate year four of the Members appointed to represent the persons referred to in paragraph (c) of Clause 5.1 who are subject to retirement by rotation and at the last meeting of the **Panel** in each other year three of the Members appointed to represent the persons referred to in paragraph (c) of clause 5.1 who are subject to retirement by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Members to retire on each occasion (both as to number and identity) shall be determined by the composition of the **Panel** at the date of the notice concerning the relevant meeting.
- 5.6 If the **Panel**, at the meeting at which a Member retires by rotation, does not fill the vacancy the retiring Member shall, if willing to act, be deemed to have been reappointed unless the Authority shall have previously disapproved of such reappointment.
- 5.7 No person other than a Member retiring by rotation shall be appointed or reappointed a Member at the last meeting of the **Panel** in any year unless not less than 21 days before the date appointed for holding the meeting written notice of the nomination by the Chairman of that person for appointment or reappointment with the approval of the Authority, together with written notice by that person of his willingness to be appointed or reappointed, has been given to each Member of the **Panel**.

6. ALTERNATES

- 6.1 Each Member shall have the power to appoint any individual to be his alternate and may at his discretion remove an alternate Member so appointed. Any appointment or removal of an alternate Member shall be effected by notice in writing executed by the appointer and delivered to the Secretary or tendered at a meeting of the **Panel**. If his appointed so requests, an alternate Member shall be entitled to receive notice of all meetings of the **Panel** or of sub-committees or working groups of which his appointer is a Member. He shall also be entitled to attend and vote as a Member at any such meeting at which the Member appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointer as a Member and for the purpose of the proceedings at the meeting the provisions of this Constitution shall apply as if he were a Member.

- 6.2 Every person acting as an alternate Member shall have one vote for each Member for whom he acts as alternate, in addition to his own vote if he is also a Member. Execution by an alternate Member of any resolution in writing of the **Panel** shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointer.
- 6.3 An alternate Member shall ipso facto cease to be an alternate Member if his appointer ceases for any reason to be a Member.
- 6.4 References in this Constitution to a Member shall, unless the context otherwise requires, include his duly appointed alternate.

7. REPRESENTATION AND VOTING

- 7.1 The Chairman and each other Member shall be entitled to attend and be heard at every meeting of the **Panel**. One adviser (or such greater number as the Chairman shall permit) shall be entitled to attend any meeting of the **Panel** with each Member and shall be entitled to speak at any meeting but shall not be entitled to vote on any issue.
- 7.2 Each Member (including the Chairman) shall be entitled to cast one vote. In the event of an equality of votes, the Chairman shall have a second or casting vote.
- 7.3 Any person or persons entitled to appoint a Member pursuant to clause 5 may at any time remove that Member from office and appoint another person to be a Member in his place. A person or persons will only have the right to remove from office the Member which he or they have appointed, and will have no right to remove from office any Member appointed by another person. Whenever any individual Member or the Chairman changes, the person entitled to appoint that Member or the Chairman shall notify the Secretary in writing within seven days of the change taking effect.

8. THE CHAIRMAN

- 8.1 Upon retirement or removal by the ITCG of the first and each successive Chairman, the ITCG shall appoint a person to act as Chairman.
- 8.2 The ITCG may at any time remove the Chairman from office.
- 8.3 The Chairman shall preside at every meeting of the **Panel** at which he is present. If the Chairman is unable to be present at a meeting, he may appoint an alternative pursuant to clause 6.1 to act as Chairman. If neither the Chairman nor any other person appointed to act as Chairman is present within half an hour after the time appointed for holding the meeting, the Members present appointed by the ITCG may appoint one of their number to be Chairman at the meeting.
- 8.4 The Chairman, or the person appointed to act as Chairman by the Chairman, shall be entitled to cast one vote. Where a Member is acting in the capacity of both Member and Chairman, he shall be entitled to cast one vote as Chairman, in addition to his one vote as Member.

9. THE SECRETARY

- 9.1 The ITCG shall have power to appoint and dismiss a Secretary and such other staff for the **Panel** as they may deem necessary. The Secretary may, but need not be, a Member, but

shall not be a Member by virtue only of being Secretary. The Secretary shall have the right to speak but, unless a Member, no right to cast a vote at any meeting.

9.2 The Secretary's duties shall be to attend to the day to day operation of the **Panel** and, in particular, to:

- (a) attend to the requisition of meetings and to serve all requisite notices;
- (b) maintain a register of names and addresses of Members and alternates as appointed from time to time; and
- (c) keep minutes of all meetings.

10. MEETINGS

10.1 The **Panel** shall hold meetings on the first Business Day in the months of June, September, December and March or at such other regular scheduled times as it may decide. The venue for meetings shall be determined by the Members from time to time.

10.2 The Chairman or any other Member may request the Secretary to requisition further meetings by giving 21 days' notice to the Secretary. The notice shall be in writing and contain a summary of the business which is proposed to be conducted. The Secretary shall proceed to convene a meeting of the **Panel** within 7 days of the date of expiry of such notice in accordance with the provisions of clause 11.

11. NOTICE OF MEETINGS

11.1 All meetings shall be convened by the Secretary on at least 14 days written notice (exclusive of the day on which it is served and of the day for which it is given), or by shorter notice if so agreed in writing by all Members. If at any time a person has not been appointed as Secretary, or the Secretary is for any reason unable to act, the Chairman shall attend to the requisition of meetings.

11.2 The notice of each meeting shall contain the time, date and venue of the meetings, an agenda and a summary of the business to be conducted and shall be given to all Members.

11.3 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by a person entitled to receive notice, shall not invalidate the proceedings at that meeting.

11.4 By notice to the Secretary, any Member may request additional matters to be considered at the meeting and provided that such notice is given at least 10 days (exclusive of the day on which it is served and of the day for which it is given) before the date of the meeting, those matters will be included in a revised agenda for the meeting. The Secretary shall circulate the revised agenda to each Member as soon as practicable.

12. PROCEEDINGS AT MEETINGS

12.1 Subject to clauses 10 and 11, the **Panel** may meet for the transaction of business, and adjourn and otherwise regulate its meetings, as it thinks fit.

12.2 Five Members present in person or by their alternates or in accordance with clause 13.3 shall constitute a quorum.

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- 12.3 If, within half an hour from the time appointed for holding any meeting of the **Panel**, a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
- 12.4 Only matters identified in the agenda referred to in clause 11.2 (or a revised agenda submitted pursuant to sub-clause 11.4) shall be resolved upon at a meeting.
- 12.5 All acts done by any meeting of the **Panel** or of a sub-committee or working group shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of a Member, be as valid as if such person had been duly appointed.
- 12.6 A resolution put to the vote of a meeting shall be decided by a show of hands.

13. RESOLUTIONS

- 13.1 A resolution of the **Panel** shall be passed by a simple majority of votes cast.
- 13.2 A resolution in writing signed by all Members shall be as valid and effective as if it had been passed at a meeting of the **Panel** duly convened and held and may consist of several documents in like form each signed by or on behalf of one or more Members.
- 13.3 A meeting of the **Panel** may consist of a conference between Members who are not all in one place but who are able (directly or by telephonic communication) to speak to each of the others and to be heard by each of the others simultaneously. The word “meeting” shall be construed accordingly.

14. MINUTES

- 14.1 The Secretary shall circulate copies of the minutes of each meeting of the **Panel** to each Member as soon as practicable (and in any event within 10 Business Days) after the relevant meeting has been held.
- 14.2 Each Member shall notify the Secretary of his approval or disapproval of the minutes of each meeting within 15 Business Days of receipt of the minutes. A Member who fails to do so will be deemed to have approved the minutes. The approval or disapproval of the minutes aforesaid will not affect the validity of decisions taken by the **Panel** at the meeting to which the minutes relate.
- 14.3 If the Secretary receives any comments on the minutes, he shall circulate revised minutes as soon as practicable following the expiry of the period referred to in clause 14.2 incorporating those comments which are of a typographical nature and indicating, where necessary, that Members disagree with certain aspects of the minutes. The Secretary shall then incorporate those aspects of the minutes upon which there is disagreement, into the agenda for the next following meeting of the **Panel**, as the first item for resolution.

15. GUIDANCE FROM THE PANEL

- 15.1 The **Panel** may at any time, and from time to time, issue guidance in relation to the **Distribution Code** and its implementation, performance and interpretation, and it may establish sub-committees and working groups to carry out such work.

16. SUB-COMMITTEES AND WORKING GROUPS

- 16.1 The **Panel** may establish such sub-committees from time to time consisting of such persons as it considers desirable. Each sub-committee shall be subject to such written terms of reference and shall be subject to such procedures as the **Panel** may determine. The meetings of sub-committees shall so far as possible be arranged so that the minutes of such meetings can be presented to the Members in sufficient time for consideration before the next following meeting of the **Panel**.
- 16.2 The **Panel** may further establish working groups to advise it on any matter from time to time. Such working groups may consist of Members and/or others as the **Panel** may determine for the purpose.
- 16.3 Resolutions of sub-committees and working groups shall not have binding effect unless approved by resolution of the **Panel**.

17. VACATION OF OFFICE

The office of a Member shall be vacated if:

- (a) he resigns his office by notice delivered to the Secretary; or
- (b) he becomes bankrupt or compounds with his creditors generally; or
- (c) he becomes of unsound mind or a patient for any purpose of any statute relating to mental health; or
- (d) he or his alternate fails to attend more than three consecutive meetings of the **Panel** without submitting an explanation to the Chairman which is reasonably acceptable to the Chairman.

18. MEMBERS' RESPONSIBILITIES AND PROTECTIONS

- 18.1 In the exercise of its powers and the performance of its duties and responsibilities, the **Panel** shall have due regard for the need to promote the attainment of the principal objectives of the **Panel** set out in clause 4.
- 18.2 In the exercise of his powers and the performance of his duties and responsibilities as a Member, a Member shall represent the interests of that person or persons by whom he is for the time being appointed pursuant to clause 5, provided that such obligations of representation shall at all times be subordinate to the obligations of the Member as a Member of the **Panel** set out in clause 18.1.
- 18.3 Protections:
- (a) The **Panel**, each Member and the Secretary shall be entitled to rely upon any communication or document reasonably believed by it or him to be genuine and correct and to have been communicated or signed by the person by whom it purports to be communicated or signed.
 - (b) The **Panel**, each Member and the Secretary may in relation to any act, matter or thing contemplated by this Constitution act on the opinion or advice of, or any information from, any chartered engineer, lawyer, or expert in any other field, and shall not be liable for the consequences of so acting.

19. MEMBERS' ADDRESSES

Every Member shall from time to time communicate to the Secretary his address and all notices sent to such addresses shall be considered as having been duly given.

20. SERVICE PROVIDERS AND ADVISERS

20.1 DNOs may appoint a Service Provider and other advisers to assist with their responsibilities under the **Distribution Code**, including work on standards and operation of the **Distribution Code** website. The **Panel** shall approve the functional specifications (but not the commercial arrangements) for the Service Provider contracted to DNOs. The **Panel** will maintain a schedule of the main duties and responsibilities of the Service Provider.

20.2 DNOs may use the Service Provider to appoint other advisers as appropriate.

21. CONSULTATION AND APPROVAL OF DISTRIBUTION CODE MODIFICATIONS

The consultation and approval arrangements of this clause shall apply for all **Distribution Code** modifications. The consultation and approval arrangements for **Qualifying Standards** are specified in Standard Procedure 1.

- (a) The **Panel** will publicise its programme for **Distribution Code** modifications on the **Distribution Code** website in the form of a **Distribution Code** Modifications Register which shall include brief details of the scope of each proposed modification.
- (b) A report shall be prepared for each **Panel** meeting on the progress of **Distribution Code** modifications, which shall be published with other **Panel** papers and meeting notes on the **Distribution Code** website.
- (c) When agreed by a majority resolution of the **Panel** a proposed modification will normally go out to public consultation. In certain cases where minor modifications have been approved unanimously, the **Panel** may decide not to go out to public consultation, subject to the agreement of the Authority.
- (d) Any consultation paper required will identify the reasons for the modification, its implications for DNOs and Users, the key points for consultation and shall involve an evaluation of whether any amendment would better facilitate the achievement of the **Distribution Code** objectives, as provided in the **DNO's Distribution Licence**, and, where the impact on greenhouse gasses is likely to be material, this shall include an assessment of the quantifiable impact of any proposed amendment on greenhouse gas emissions, to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the **Authority** from time to time. The consultation paper will be published on the **Distribution Code** website and provide sufficient time for response, as determined by resolution of the **Panel**, taking account of the nature of the modification.
- (e) At the end of the consultation period and after consideration by the **Panel**, the DNOs will issue a report to the Authority setting out the results of the consultation and any revisions proposed by the **Panel** to the proposed modification. The report will be published on the **Distribution Code** website.

- (f) Following approval by the Authority the **Distribution Code** modification will be published on the **Distribution Code** website as a modification to the **Distribution Code**.

22. INFORMATION AND PUBLICITY

22.1 The **Panel** shall maintain transparent and inclusive arrangements for developing modifications to the **Distribution Code** and Annex 1 Standards and Appendix 2 Standards including the use of the **Distribution Code** website as a means of consulting with Users and providing information, which shall include but not be limited to:

- (a) the **Distribution Code**;
- (b) lists of Annex 1 Standards and Appendix 2 Standards and links to individual DNO websites;
- (c) the Constitution and Rules of the **Panel**;
- (d) **Panel** membership and representation;
- (e) minutes of the **Panel** and subcommittees and working groups including working groups on Annex 1 Standards and Appendix 2 Standards;
- (f) **Panel** papers and where considered appropriate working group and sub committee papers;
- (g) **Distribution Code** Modifications Register;
- (h) Annex 1 Standards and Appendix 2 Standards Modifications Register;
- (i) a work programme for **Qualifying Standards** if required;
- (j) consultation papers for modifications to the **Distribution Code** and **Qualifying Standards**;
- (k) reports to the Authority on consultation papers on the **Distribution Code** and **Qualifying Standards**;
- (l) decisions by the Authority on consultation papers and **Qualifying Standards**; and
- (m) Annual reports.

22.2 Users may request an e-mail notification of modifications to the **Distribution Code** and Annex 1 Standards and Appendix 2 Standards that have been published on the **Distribution Code** website. There will be no charge for this arrangement and it will be available to any User.

22.3 Energy Networks Association and DNO company standards are copyright of these bodies and web versions of Annex 1 Standards and Appendix 2 Standards may be published subject to safeguards on copyright. An administrative charge may be made for the provision of these copies.

23. ANNUAL REPORT

23.1 The **Panel** shall prepare and provide to the Authority an Annual Report of the activities of the **Panel** and its committees and working groups in the preceding year ended 31 March. The Annual Report shall include:

- (a) A review of the work of the **Panel** generally;
- (b) A summary of modifications to the **Distribution Code**; and
- (c) A summary of work relating to **Qualifying Standards**.

23.2 The Annual Report shall be approved by the **Panel** at the May/June **Panel** and published on the **Distribution Code** website.

24. FUNDING

The DNOs shall fund and share the costs incurred by or on behalf of the DNOs in relation to the operation of the **Panel** in accordance with the Constitution and Rules of the ITCG and as referred to in DGC 4.8 of the **Distribution Code**.

**THE CONSTITUTION AND RULES OF THE DISTRIBUTION CODE
REVIEW PANEL OF GREAT BRITAIN**

REVISIONS

Amendment	Date	Remarks
Issue 1 for DCRP for Great Britain	01.05.2002	This Constitution and Rules of the Distribution Code Review Panel (DCRP) is issued for the DCRP of Great Britain, which replaces the two separate DCRPs of Scotland and England and Wales. The Constitution and Rules are based on those of the DCRP of England and Wales, as revised in this modification. No formal Constitution and Rules are in place for the Scottish Distribution Code Review Panel.
Revision 1	01.04.2004	Implementation of governance arrangements for Qualifying Standards and Annual Report of the Distribution Code Review Panel and definition of consultation and approval processes including publicity.
Revision 2	01.12.2008	Inclusion of IDNOs into the governance arrangements and specific requirement for an IDNO seat on DCRP. Inclusion of the cost allocation mechanism across DNOs and IDNOs.
Revision 3	01.10.2009	Clarification of the consultation and approval procedure for Annex 1 and Appendix 2 documents. Also changes to membership to align with version 11 of the Distribution Code creating a new OTSO representative. Several minor amendments to references to government departments and professional institutions.
Revision 4	01.02.2011	S21 (d) of Constitution and S4.1 xi of Standard Procedure 1 modified to align with Issue 14 of the D Code, requiring an assessment of the impact of D Code changes on GHG where material. Revision initiated by changes to licence condition 21.

DISTRIBUTION CODE REVIEW PANEL

STANDARD PROCEDURE 1 - GOVERNANCE OF QUALIFYING STANDARDS

This document set outs the arrangements for governance of **Qualifying Standards** established by the **Distribution Code Review Panel** pursuant to DGC4.2 (h) of the **Distribution Code** and paragraph 4.1 (h) of the Constitution and Rules of the Panel.

1. PRINCIPLES OF STANDARDS GOVERNANCE

- i. The governance arrangements will be applied to those technical standards that have been identified as having a material affect on Users – known as **Qualifying Standards** as defined in the **Distribution Code**.
- ii. All **Annex 1 Standards** and **Appendix 2 Standards** will be owned by the **DNOs** and will be developed by a transparent and inclusive process through the **Panel** with appropriate consultation and publicity as determined by resolution of the **Panel**.
- iii. **DNOs** and **Users** may raise issues on **Qualifying Standards** with the **Panel** subject to a jurisdiction and materiality test (as set out in Sections 2 and 3, and Section 6 of this Standard Procedure).
- iv. Where unanimity is reached by the **Panel** on the content of an **Appendix 2 Standard**, **DNOs** will approve the new standard or modification of a standard without further reference to the **Authority**.
- v. For **Annex 1 Standards**, or where unanimity is not reached regarding an **Appendix 2 Standard**, the **DNOs** will report to the **Authority** who will take the final executive decision as to whether or not the proposed standard or modification should be implemented.
- vi. Due to the wide range of standards adopted by individual **DNOs** a system of governance by exception will apply for **Individual DNO Standards**, whereby **DNOs** will list standards which have a material effect on **Users** on their websites. **Users** may raise issues on these **DNO** standards for consideration under **Distribution Code Review Panel** governance. The **Panel** will not formally approve **Individual DNO Standards**.

2. QUALIFYING STANDARDS

The following standards have been identified as having a material affect on **Users** and subject to governance.

i. Distribution Code Annex 1 Standards

National electricity industry standards that implement **Distribution Code** requirements and which are listed in Annex 1 of the **Distribution Code**, and form part of the **Distribution Code**. These standards are designed to enable **DNOs** to maintain statutory requirements and declared characteristics of voltage and frequency and interoperability of **DNO** and **User** networks.

The licence security standard (ER P2/5) will continue to be under governance of Section 11 of the Electricity Act, although as an Annex 1 Qualifying Standard changes to it will also be a Distribution Code modification.

ii. **Appendix 2 Standards**

Other national electricity industry standards that have a material effect on **Users** but are not implemented as **Distribution Code** requirements and which are listed for convenience in Appendix 2 to the Guide to the Distribution Code, but do not form part of the **Distribution Code** technical requirements.

iii. **Individual DNO Standards**

Standards adopted by individual **DNOs** that have a material affect on **Users**, which are published as such by individual **DNOs**. Such standards are adopted to fulfil or implement the requirements of the **Distribution Code** or are referenced in connection agreements or otherwise place obligations on **Users**. Such standards are to be published on the **DNO's** websites.

3. STANDARDS NOT SUBJECT TO GOVERNANCE

Certain standards have been identified which will not be subject to **Distribution Code Review Panel** governance or where governance is qualified in some way as follows:

- i. It is not appropriate for the content of standards under the jurisdiction of international standards bodies and the British Standards Institution to be included in **Panel** standards governance. Where such standards are adopted as a **Distribution Code** requirement then the associated modification of the **Distribution Code** will be subject to the modification process in the normal way.
- ii. Standards which materially affect users but are governed by other electricity industry procedures such as under CUSC and BSC are not included in **Panel** governance.
- iii. The **Distribution Code** (DPC4.4.1) requires **User's** equipment to be compatible at the interface and generally comply with international standards but does not require compliance with **DNO** standards. The numerous **Individual DNO Standards**, ie electrical equipment and design standards, do not therefore generally come under **Panel** governance, except in the rare circumstances such standards may be specified by the **DNOs** in the connection agreement as a requirement on the **User's** equipment at the interface.
- iv. **Individual DNO Standards** applied to their own network equipment are developed by **DNOs** in response to the **Authority** signals on price and quality and might have an impact on the costs of all **Users**, but it is not appropriate for such standards to be subject to direct governance by the **Panel**. Where a **User** considers that such a standard has an adverse affect on a particular **User's** cost of connection then there are established mechanisms for referring connection issues including the cost of the connection to the **Authority**. However, where an **Individual DNO Standard** is challenged by a **User** and is included in that **User's** referral the **Authority**, the **Authority** may refer technical issues associated with that **Individual DNO Standard** to the **Panel**. The **Panel** will then apply its normal procedures, including tests for materiality and jurisdiction, consider the issues and report to the **Authority**.

4. STANDARDS GOVERNANCE PROCEDURE

4.1 Annex 1 Standards and Appendix 2 Standards

The consultation and approval arrangements for **Annex 1 Standards** and **Appendix 2 Standards** modifications, including new **Annex 1 Standards** and **Appendix 2 Standards**, shall be as set out below and diagrammatically in Figures 1 and 2 of Appendix 1 to this Standard Procedure.

- i. **DNOs** or **Users** may bring proposals for modifications to **Annex 1 Standards** and **Appendix 2 Standards** for consideration by the **Panel**. **DNOs** and **Users** bringing forward proposals for modifications to **Annex 1 Standards** and **Appendix 2 Standards** shall set out in general terms the aims of their proposal and the likely impact, including costs.
- ii. The **Panel** shall assess whether the modification proposal is within the jurisdiction of the **Panel**, in accordance with Sections 2 and 3, and apply the materiality test set out in Section 6.
- iii. The **Panel** shall determine whether the proposal should be pursued, the relevance to other Network Code Review Panels, timescales for development, the extent of public consultation (including any initial consultation prior to development work), and whether a Standards Working Group is required.
- iv. Where an issue raised by a **DNO** or **User** is not determined to be appropriate for review by the **Panel** then the **DNO** or **User** shall be informed of the reasons.
- v. Where a **Annex 1 Standards** and **Appendix 2 Standards** is subject to governance by other NCRPs then any development or modification of that **Annex 1 Standards** and **Appendix 2 Standards** and public consultation will be undertaken jointly by the NCRPs concerned.
- vi. The **Panel** will publicise its programme for **Annex 1 Standards** and **Appendix 2 Standards** modifications on the **Distribution Code** website in the form of a **Annex 1 Standards** and **Appendix 2 Standards** Modifications Register which shall include brief details of the scope of the work. If appropriate a prioritised programme of standards will be developed and agreed by **Panel** based on principles in Section 7,
- vii. A report shall be prepared for each **Panel** meeting on the progress of **Annex 1 Standards** and **Appendix 2 Standards** modifications and this shall be published on the **Distribution Code** website.
- viii. The majority of the standards work of **DNOs** is concerned with keeping industry standards in line with international, European and British standards. This work is considered to be of a routine a maintenance nature and **DNOs** and their Service Providers may develop modifications independently, subject to the consideration of final proposals for modifications by the **Panel**. Other standards projects may need to be developed by specialist Standards Working Groups.
- ix. Where appropriate the Department of Energy and Climate Change, the Health and Safety Executive and the Institution of Engineering and Technology will be given an early opportunity to comment on **Annex 1 Standards** and **Appendix 2 Standards** being

developed or modified through **Panel** governance. It is recognised that regulatory bodies may need to understand what is proposed without being party to making decisions on standards which may compromise their regulatory role.

- x. Following agreement in the **Panel**, then the modification will normally progress to public consultation. In certain cases, where the **Panel** has unanimously agreed minor modifications, the **Panel** may decide not to go out to public consultation.
- xi. Any consultation paper required will identify the reasons for the modification, the implications for **DNOs** and **Users**, the key points for consultation and shall involve an evaluation of whether any amendment would better facilitate the achievement of the **Distribution Code** objectives, as provided in the **DNO's Distribution Licence**, and, where the impact on greenhouse gasses is likely to be material, this shall include an assessment of the quantifiable impact of any proposed amendment on greenhouse gas emissions, to be conducted in accordance with any guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the **Authority** from time to time. The consultation paper will be published on the **Distribution Code** website and provide sufficient time (as determined by the **Panel**) for response taking account of the nature of the modification.
- xii. For modification to an **Annex 1 Standard**, at the end of the consultation period and where there is unanimity within the **Panel**, the **Authority** will be asked to approve the modification to the **Annex 1 Standard** and any associated modification to the **Distribution Code**.
- xiii. For modification to an **Appendix 2 Standard**, at the end of the consultation period and where there is unanimity within the **Panel**, the **DNOs** may approve the modification to the **Appendix 2 Standard** without reference to the **Authority**.
- xiv. For modification to either an **Appendix 2 Standard** or an **Annex 1 Standard**, at the end of the consultation period and where there is not unanimity within the **Panel** the **DNOs** will issue a report to the **Authority** setting out the areas under dispute. The report will be published on the **Distribution Code** website.
- xv. The **Authority** will consider the report and make the executive decision on the proposed modification.
- xvi. The modification as approved by the **DNOs** or the **Authority** will be published on the **Distribution Code** website as a modification to the **Annex 1 Standards** and **Appendix 2 Standards**.

4.2 Individual DNO Standards

The **Panel's** governance arrangements for **Individual DNO Standards** is set out more fully in Section 8 below and in Figure 3 of Appendix 1 to this Procedure.

5. WORKING GROUPS ANNEX 1 STANDARDS AND APPENDIX 2 STANDARDS

Where a Standards Working Group is required to develop a modification to an **Annex 1 Standard** or an **Appendix 2 Standard** or to develop a new **Annex 1 Standard** or **Appendix 2 Standard**, the **Panel** will approve the terms of reference and timescales and specify reporting

arrangements. The **Panel** Chairman will appoint the Chairman of the Standards Working Group. The Chairman of the Standards Working Group in consultation with the Chairman of the **Panel** will appoint members of the Standards Working Group. Membership of the Standards Working Group should represent the interests of those **DNOs** and **Users** affected by the modification and may also include others from outside the **Panel** who may bring appropriate expertise or represent stakeholders from outside the **DCRP**. With the prior agreement of the **Panel**, the Standards Working Group will be able to carry out preliminary public consultation on the principles of proposed standards projects and on draft standards. The Standards Working Group shall have the following objectives:

- i. to follow the terms of reference and instructions of the **Panel** and report to the **Panel** in accordance with the terms of reference.
- ii. to seek internal consensus on the development of a standard and report to the **Panel** setting out proposals for a new or modified **Annex 1 Standard** or **Appendix 2 Standard** at the stage where it is in a form which is suitable for publication.
- iii. where unresolved issues make it impossible for a Standards Working Group to put forward a meaningful standard or modification the unresolved issues should be reported to the **Panel** who shall provide advice on how to proceed. It is not appropriate for a Standards Working Group to resolve issues by voting.

6. MATERIALITY TEST

DNOs and **Users**, and the **Authority** on behalf of **Users** in relation to **Individual DNO Standards**, may raise issues on **Qualifying Standards** in the **Panel** subject to a materiality test applied by the **Panel**.

The materiality test may be applied to the standard itself and/or to the applicability of the standard in particular circumstances. It is a prerequisite that the standard or part of the standard subject to review must impose technical obligations on a **User** before it may be reviewed by the **Panel**.

The following are indicative of issues to be taken into account in when considering materiality:

- i. The **DNOs** statutory and licence obligations.
- ii. Impact on industry commercial arrangements
- iii. Impact on competition
- iv. Impact on industry developments such as distributed generation.
- v. Impact on the cost of and practicability of **User** connections
- vi. Impact on the cost and practicability of **User** operations
- vii. Impact on the cost and practicability and performance of **DNO** network provision
- viii. Impact on the cost and practicability and performance of **DNO** operations
- ix. Potential for change to the standard or its application and the cost of review.

7. PRIORITISATION OF STANDARDS WORK

Where necessary due to workload a programme of standards projects may be determined by the **Panel** to be prioritised by a simple three category ranking system.

Category 1 - Essential Projects

- 1 (a) Projects meeting **DNO** licence and other statutory requirements
- 1 (b) Projects that underpin industry commercial arrangements
- 1 (c) Projects required to promote competition
- 1 (d) Projects to support industry developments such as distributed generation
- 1 (e) Projects which have a significant impact on the costs or practicability of the network or operations of **DNOs** or **Users**.

Category 2 - Desirable Projects

- 2 (a) Projects to align standards with International European or British standards
- 2 (b) Improvements in technical practices not covered in Category 1 projects

Category 3 - Optional Projects

- 3 (a) Standardisation which is not classed as Category 1 or 2
- 3 (b) Editorial changes to improve clarity or provide further guidance not classed as Category 1 or 2

The prioritisation proposed is a simple ranking system and it is not proposed that points should be accumulated if a project meets more than one criterion. However if necessary Category 1 projects may be further prioritised by ranking in the order 1(a) to 1(e). The **Panel** will also need to take into account other issues when developing priorities, including dependencies on other industry developments.

8. REVIEW OF INDIVIDUAL DNO STANDARDS

Standards adopted by individual **DNOs** to fulfil or implement the requirements of the **Distribution Code** shall be listed by individual **DNOs** on their websites and shall be subject to governance by exception where challenged by **Users** through referral to the **Authority**.

Where a **User** has a challenge to an **Individual DNO Standard**, usually as part of a connexion application process, following exhaustion of discussions and negotiations with the **DNO**, the **User** may refer the issue to the **Authority**. The **User** will need to set out in general terms the aims of their proposal and the impact including cost implications.

The **Panel** shall carry out the review as follows:

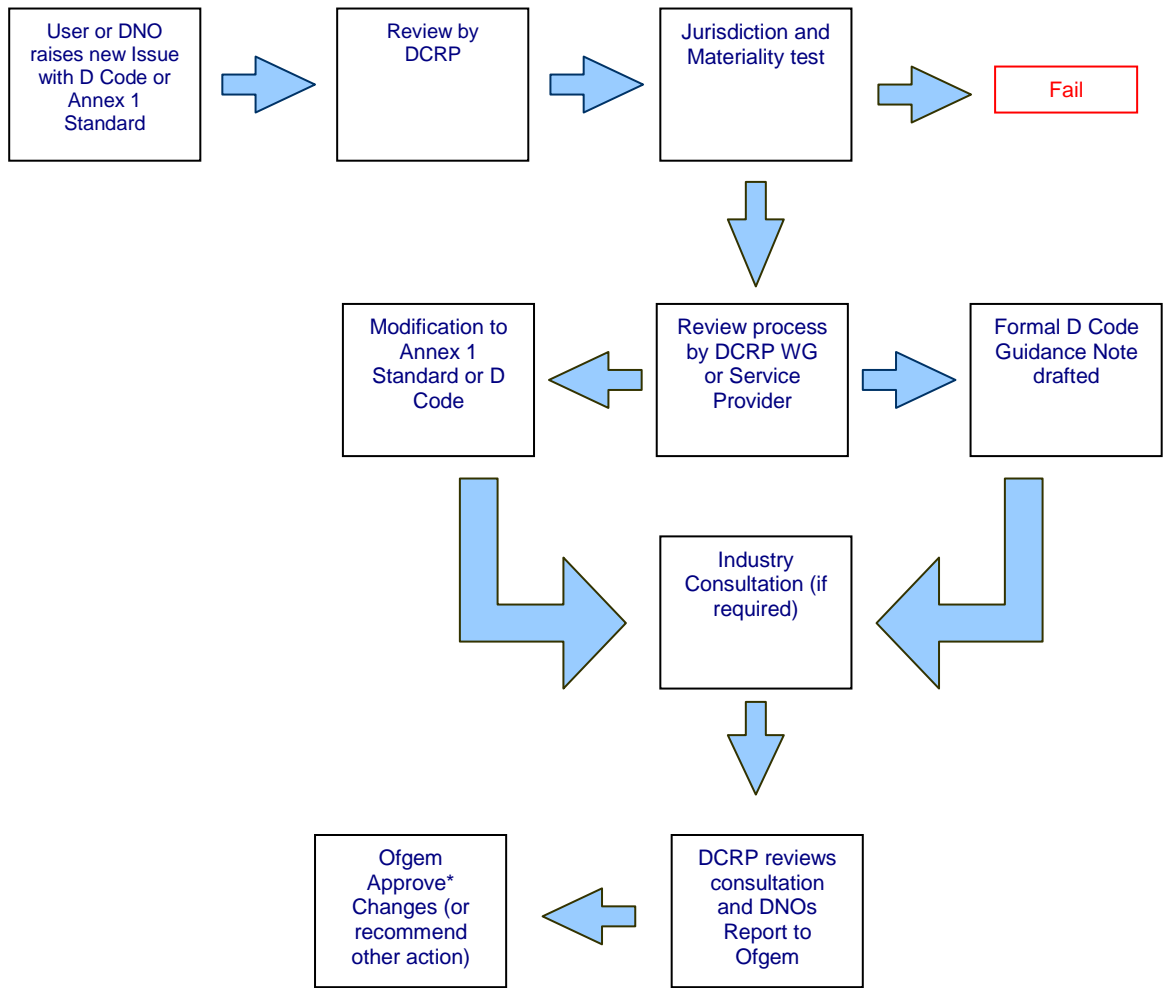
- i. The **Panel** will consider the technical aspects of all such referrals by the **Authority** from **Users** for review of **Individual DNO Standards** and investigate practices in other **DNOs** and come to a determination as follows:
 - The issue is not material or otherwise outside the jurisdiction of the Panel, in which case the Panel shall determine that the issue is not appropriate for review by the Panel and shall inform the User of the reasons.

- The issue raised has a material effect on **Users** for which advice could be given either to the **DNO** only or as general guidance to all **DNOs**.
 - The issue raised has a material effect which should be covered in the **Distribution Code** or **Annex 1 Standards** or **Appendix 2 Standards**.
- ii. Resolution of **Individual DNO Standards** issues may be one of the following:
- Modification of the **Distribution Code, Annex 1 Standards** or **Appendix 2 Standards**.
 - Development of a new **Annex 1 Standard** or **Appendix 2 Standard**.
 - Issue of a guidance note as provided for by **Distribution Code** DGC 4.2 (e).
 - Any modifications to the **Distribution Code, Annex 1 Standards** or **Appendix 2 Standard**, or issue of formal guidance notes will be subject to the relevant formal consultation and approval procedures.
 - A report to the **Authority** setting out the findings of the **Panel** and any observations on whether there is non-compliance or non-compatibility with the **Distribution Code**. Informal views may be published as an unattributable report on the **Distribution Code** website where agreed by the **Panel**.
- iii. Where unanimity cannot be reached in the **Panel** on a matter relating to an **Individual DNO Standard** then this will be reflected in the **Panel's** report to the **Authority**
- iv. It is not appropriate for the **Panel** or the **Authority** to approve **Individual DNO standards** but the **DNO** will be expected to review the standard in the light of the review by the **Panel**.

Standard Procedure 1 – Governance of Qualifying Standards

PROCESSES FOR QUALIFYING STANDARDS

Appendix1



*Ofgem will need to separately consult on any change to ER P2/5 – see 4.2.1.2

Figure 1

PROCEDURE FOR AMENDING ANNEX 1 STANDARDS

PROCESSES FOR QUALIFYING STANDARDS

Appendix1

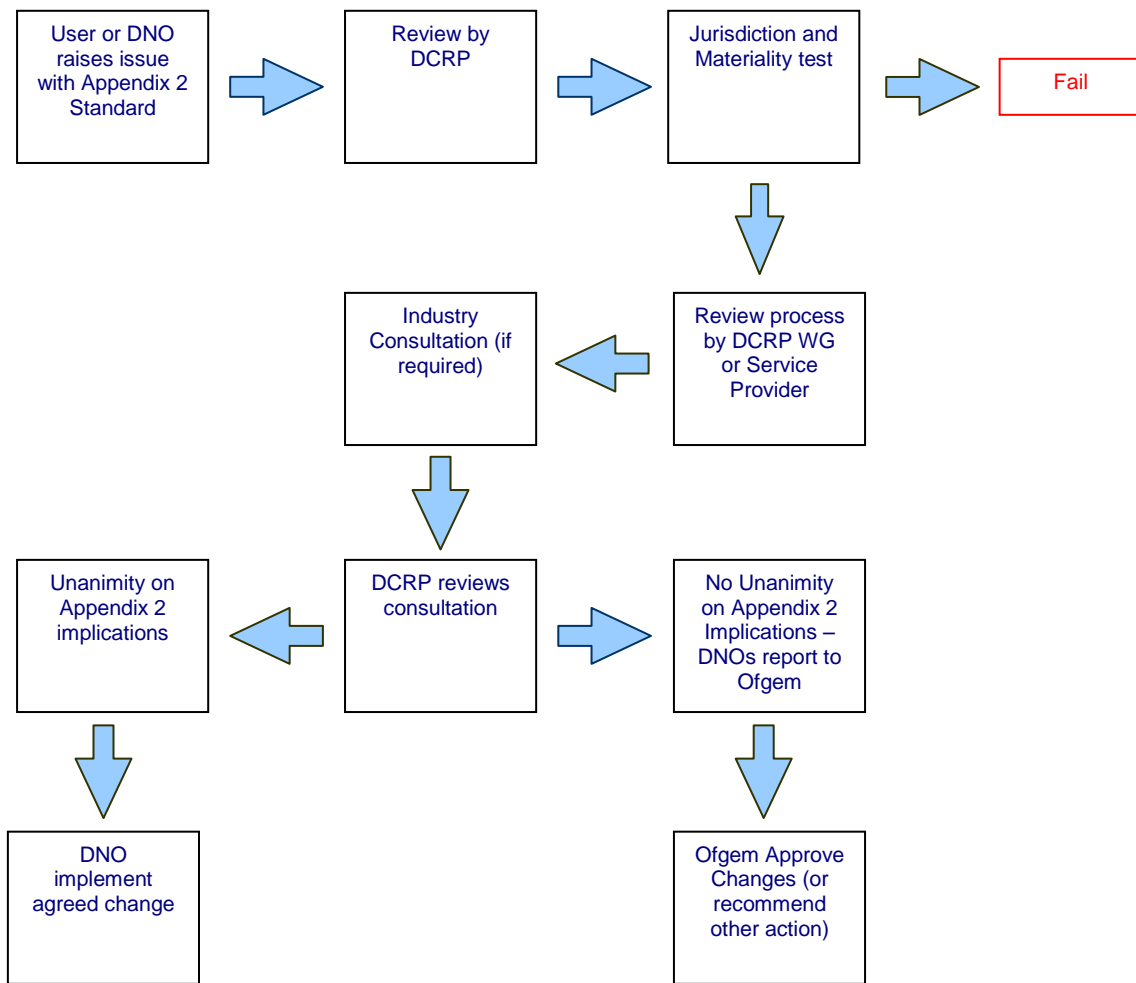


Figure 2

PROCEDURE FOR AMENDING APPENDIX 2 STANDARDS

PROCESSES FOR QUALIFYING STANDARDS

Appendix1

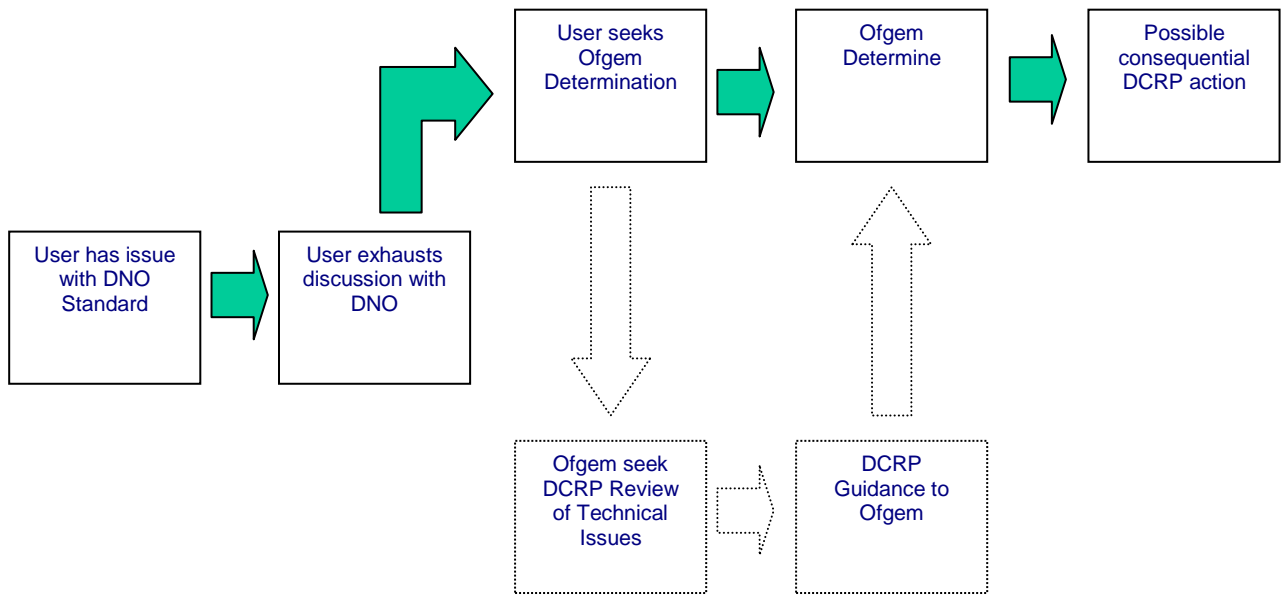


Figure 3

PROCEDURE FOR GOVERNING INDIVIDUAL DNO STANDARDS

DISTRIBUTION CODE REVIEW PANEL

STANDARD PROCEDURE 2 - SERVICE PROVIDER FUNCTIONAL REQUIREMENTS

This document set outs the functional requirements of the Service Provider to the **Panel** pursuant to Section 20 of the Constitution and Rules of the **Panel**.

DNOs may appoint a Service Provider to assist with their responsibilities under the **Distribution Code** including work on standards and operation of the **Distribution Code** website. The Energy Networks Association shall be the current Service Provider to the **Panel**.

The **Panel** shall approve the functional specifications (but not the commercial arrangements) for the Service Provider contracted to **DNOs**. The current functional specifications for the Service Provider are as set out below:

- i. The Service Provider shall at all times carry out work to the instructions of the **Panel**. The Service Provider shall at all times take into account the interests of all **Panel** members and their constituent groups, and the statutory and other obligations of **DNOs** and **Users**.
- ii. The Service Provider shall provide support to the **Panel** and have a representative attend each **Panel** meeting and report on the progress of standards work and raise any issues which are material to the **Panel**. This support will include the secretarial and administrative support for **Panel** meetings, subgroups and working groups.
- iii. The Service Provider will assist the **Panel** to develop a prioritised annual programme of work on **Annex 1 Standards** and **Appendix 2 Standards** if required.
- iv. The Service Provider will advise the **Panel** on any urgent work on **Annex 1 Standards** and **Appendix 2 Standards** outside the agreed programme.
- v. The Service Provider shall draft terms of reference for standards projects and advise on whether projects require a Standards Working Group.
- vi. The Service Provider will carry out work which does not require a Standards Working Group on behalf of the **Panel** and in accordance with the instruction of the **Panel** and to agreed timescales.
- vii. The Service Provider will provide support to the Standards Working Groups and carry out drafting or other services agreed by the **Panel**.
- viii. The Service Provider may use outside consultants as necessary to carry out its work, without specific reference to the **Panel** or Standards Working Groups. All work will be carried out in line with the **Panel**'s terms of reference.
- ix. The Service Provider may consult **DNOs**, **Users** and other relevant industry bodies as necessary in any aspect of its work.

Standard Procedure 2 – Service Provider Functional Requirements

- x. The Service Provider shall provide a service to appoint any special advisers required by the **DNOs** for work in connection with the **Distribution Code** in line with best commercial practice.
- xi. Service Providers shall maintain a **Distribution Code** website in line with the requirements of the **Panel**.