

Proposed Changes to Distribution Code Constitution and Rules

Section (21. (h) – (p))

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.

- (h) A proposal for a modification that falls within the scope of a **Significant Code Review** shall not be made during the **Significant Code Review Phase**, except where the **Authority** determines that the modification proposal may be made or otherwise at the direction of the **Authority**. If a modification proposal is made during a **Significant Code Review Phase**, the **DNOs** shall (unless exempted by the **Authority**) notify the **Authority** as soon as practicable of any representations received in relation to the relevance of the **Significant Code Review** and the **DNOs'** assessment of whether the proposal falls within the scope of the **Significant Code Review** and its reasons for that assessment. If the **Authority** so directs, the **DNOs** shall not proceed with the modification proposal until the **Significant Code Review Phase** has ended. **The Authority may make a proposal for modification of the Distribution Code where that modification proposal is in respect of a Significant Code Review;**
- (i) Where the **Authority** makes a modification proposal in accordance with paragraph (h), the **DNOs** shall:
 - (1) evaluate whether the modification to the Distribution Code would better facilitate the achievement of the objectives set out in DIN2.1(b) of the Distribution Code and, where the impact is likely to be material, this must include an assessment of the quantifiable impact of any such modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the Authority from time to time;
 - (2) send to the **Authority** a report on the outcome of the evaluation conducted in accordance with sub-paragraph (1) above;
 - (3) send to the Authority any written representations or objections from Authorised Electricity Operators that were received during the consultation process and have not been withdrawn; and
 - (4) proceed in accordance with any timetable(s) directed by the Authority in relation to the procedural steps outlined in this paragraph and/or in relation to implementation of such modification to the Distribution Code.
- (j) If, within 28 days after the **Authority** has published its **Significant Code Review** conclusions:
 - (1) the Authority issues Directions to the **DNOs**, the **DNOs** must comply with those Directions and must treat the Significant Code Review Phase as ended;

- (2) the **Authority** issues to the **DNOs** a statement that no **Directions** under sub-paragraph (1) will be issued in relation to the **Distribution Code**, the **DNOs** must treat the **Significant Code Review Phase** as ended;
 - (3) the **Authority** makes a modification proposal in accordance with paragraph (h), the **DNOs** must treat the **Significant Code Review Phase** as ended;
 - (4) the **Authority** issues a statement that it will continue work on the **Significant Code Review**, **DNOs** must treat the **Significant Code Review Phase** as continuing until it is brought to an end in accordance with paragraph (l) below;
 - (5) neither **Directions** under sub-paragraph (1) nor a statement under sub-paragraphs (2) or (4) have been issued, nor a modification proposal under sub-paragraph (3) has been made, the **Significant Code Review Phase** will be deemed to have ended.
- (k) The **Authority's** published conclusions and **Directions** to the **DNOs** will not fetter any voting rights of the **Members** or the procedures informing the report described at paragraph (f).
- (l) If the **Authority** issues a statement under paragraph (j)(4) and/or a direction in accordance with paragraph (p), the **Significant Code Review Phase** will be deemed to have ended when:
- (1) the **Authority** issues a statement that the **Significant Code Review Phase** has ended;
 - (2) one of the circumstances in sub-paragraphs (j)(1) or (3) occurs (irrespective of whether such circumstance occurs within 28 days after the **Authority** has published its **Significant Code Review** conclusions); or
 - (3) the **Authority** makes a decision consenting or otherwise to the modification of the **Distribution Code** following the submission of the report under paragraph (n)(2).
- (m) Where the **Authority** has issued a statement in accordance with paragraph (j)(4) and/or a direction in accordance with paragraph (p), the **Authority** may submit to the **DNOs** a modification proposal for a modification in respect of a **Significant Code Review**.
- (n) Where the **Authority** submits a **Significant Code Review** modification proposal in accordance with paragraph (m) the **DNOs** shall:
- (1) evaluate whether the proposed modification would better facilitate the achievement of the objectives set out in DIN2.1(b) of the **Distribution Code** and, where the impact is likely to be material, this must include an assessment of the quantifiable impact of any such modification on greenhouse gas emissions, to be conducted in accordance with any such guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) as may be issued by the **Authority** from time to time;
 - (2) for the **DNOs** to send to the **Authority** a report on the outcome of the evaluation conducted in accordance with sub-paragraph (1); and

- (3) for the **DNOs** to proceed in accordance with any timetable(s) directed by the Authority in relation to the procedural steps outlined in this paragraph and/or in relation to implementation of such modification to the **Distribution Code**.
- (o) The **Authority's** published conclusions and **Significant Code Review** modification proposal will not fetter any voting rights of the **Members** or the procedures informing the report described at sub-paragraph (n)(2).
- (p) Where a proposal has been made in accordance with paragraph (j)(1) or by the **Authority** under paragraph (j)(3), the **Authority** may issue a direction (a “backstop direction”), which requires such proposal(s) and any alternatives to be withdrawn and which causes the **Significant Code Review Phase** to recommence.
- (i) Following approval by the Authority the **Distribution Code** modification will be published on the **Distribution Code** website as a modification to the **Distribution Code**.