

Location of ‘Process’ Text – Pros/Cons

Issue	Location of text		
	Licence Condition	Annex to SQSS	Grid Code
Overall principle	Aligns with NOA approach – the NOA process and capacity market are similar in style	The SQSS is a standard not a code and does not have defined governance rules or ownership by a licensee.	Could start to bring SQSS into Grid Code
Status of ‘standard’		The requirement on licensees is to comply with the SQSS (and being the version as quoted in the licence which therefore needs updating to implement any change).	Recognised code with clear governance processes and licensee ownership
Number of locations for documentation	Fragmented	All in one place	Fragmented – and adds another code into this
Ofgem direction	Easier for Ofgem to maintain control if they wish; and is more in line with other direct requirements on a licensee	Ofgem could direct a change to any code, although a little less obvious how this would work with the SQSS	Ofgem could direct any changes required
Transparency	A licence change would require a consultation and hence be transparent - but might lack visibility to wider stakeholders	Putting text in the SQSS is more transparent to stakeholders and follows a recognised process	Recognised process for any changes
Governance for subsequent changes	Would need further licence changes	Could be done using industry code modification processes	Could be done using industry code modification processes
Complexity	Would need Ofgem to progress a more complex licence change including consultation on this. Would need coordination to approve the SQSS change referring to the methodology simultaneously.	Approved with a single Ofgem decision (although any change to the SQSS still needs a simple licence change to update the version and then take effect)	Still need to change SQSS and therefore licence to reference the process so multiple decisions required
Timescales	There would need to be a consultation on a licence change anyway to implement a new version of the SQSS but likely to take longer as more complex.	Likely to be quicker even though updating the SQSS still needs a licence change	Possibly quicker although with coordination issues