

Mod 0664 progression options

John Welch

Current mod drafting

- **Two central components:**
 - 1) The obligation to transfer sites as a result of poor read performance.
 - 2) Incentive charging.
 - **Issue** – transfer solution is too complex, system development would be costly and complex.
 - **Issue** – Incentive charging could take longer to develop than transfer component (if simplified).
- **Two distinct angles to consider:**
 - 1) New entrants to the settlement class (not necessarily new entrants to the market).
 - 2) Ongoing read performance.
 - **Issue** – mod arguably does not do enough to differentiate or separate the two angles

Mod progression options

Option	Suggested change	Advantages	Disadvantages
1) Amend the mod to simplify the transfer component.	Remove the transfer 'cherry-picking': Xoserve to transfer whole portfolios when obligation triggered. Glide path?	Less costly and complex to develop the Xoserve transfer component.	Could prove too punitive in relation to ongoing read performance issues.
2) Amend the mod, removing the transfer component, but retaining the incentive charge element only.	Remove the transfer obligation, and retaining the incentive charge element only.	Simplifies the mod.	May not do enough to improve read performance.
3) Separate into two distinct mods.	Cover transfer and incentive charging separately in two mods	Could allow a simplified transfer option to progress more quickly.	Governance issues?
4) Retain both elements in one mod but focus the mod on initial entry to settlement class 2 and 3.	Focusses on first entry to class 2 and 3, rather than ongoing read performance (setting a lower 'year 1' entry than the ongoing read performance obligations for example).	Simplifies both elements, reduces development timescales, and addresses the issue at hand.	Ongoing read performance not dealt with.