



9 June 2022

The Authority (Ofgem), the SEC Panel, SEC Parties and
other interested parties

Dear Colleague,

**SMART METERING IMPLEMENTATION PROGRAMME: DIRECTION TO RE-DESIGNATE
THE SMETS1 TRANSITION AND MIGRATION APPROACH DOCUMENT, ENDURING
TESTING APPROACH DOCUMENT AND SEC VARIATION TESTING APPROACH
DOCUMENT FOR SMETS1 SERVICES**

Overview

1. This letter constitutes the Government's response to three consultations undertaken by the Data Communications Company (DCC) and a direction to re-designate the SMETS1 Transition and Migration Approach Document (SMETS1 TMAD), the SEC Variation Testing Approach Document for SMETS1 Services (SMETS1 SVTAD) and the Enduring Testing Approach Document (ETAD).
2. This introduces regulatory changes to better support the enrolment and operation of first-generation smart meter devices on the DCC network as well as to support efficiently bringing to a close each migration capability. This designation letter only deals with process changes to facilitate Requesting Party closure. The Secretary of State will only take a decision on a Requesting Party Decommissioning Timetable once it has been submitted by DCC for consideration. DCC is expected to submit this for MOC (MDS) on 13 June 2022.

Consultation summary

3. Between 23 March 2022 and 20 April 2022, DCC sought respondents' views on its proposals to add several Exclusion Categories to the TMAD to address certain categories of SMETS1 Installations where migrations are blocked by technical or economic issues¹ covering the following circumstances:
 - a unable to attempt Firmware Upgrade for IOC;
 - b firmware upgrade / configuration failures for IOC and MOC (MDS); and
 - c data issues & duplicate MPANs and MPRNs across all cohorts.
4. The consultation also proposed amendments to TMAD which could support the migration of currently blocked devices in these following circumstances:

¹ <https://www.smartdcc.co.uk/consultations/smets1-consultation-various-2/>

- a. provision of partial Migration for MOC (MDS) in relation to firmware failure;
 - b. unblocking Migration due to data issues (Ceased Trading / Non-live User / Duplicate MPxNs).
5. Between 5 April 2022 and 3 May 2022 DCC ran the Initial Closure Matters Consultation² to seek views on a range of regulatory matters related to rules and processes for closing aspects of the SMETS1 Migration service. It proposed:
- a. changes to the process in the TMAD for decommissioning each Requesting Party;
 - b. a proposal to decommission the Requesting Party for MOC (MDS);
 - c. decommissioning of the DMCT Process in respect of DMCs that would migrate from the MDS SMSO, aligned to closure of the relevant Requesting Party;
 - d. restrictions on PPCT for each cohort aligned to decommissioning of the relevant Requesting Party; and
 - e. partial decommissioning of Migration DUST for IOC and MOC (MDS).
6. Between 28 April and 19 May 2022 DCC consulted on a new migration exclusion category³ (in Clause 18 of the TMAD) to capture the circumstances where Dormant Meters have changed in status from Active to Dormant due to the Energy Supplier terminating their contract for smart services with the SMETS1 SMSO; and the Energy Supplier has provided a statement to DCC to confirm that the Energy Supplier reasonably believes that such Dormant Meters are not capable of successful Migration.

Regulatory background

7. The detailed technical and procedural requirements of the migration approach are set out in the SMETS1 TMAD. The document is Appendix AL of the Smart Energy Code⁴ (SEC). The SMETS1 SVTAD sets out the rights and obligations for a range of SMETS1 testing matters including Systems Integration Testing (SIT) and the DMCT Process. The SMETS1 SVTAD is Appendix AK of the SEC. The procedural and technical details related to the enduring Testing Services provided by DCC are set out in the Enduring Testing Approach Document (ETAD). The ETAD is Appendix J of the SEC.

Consideration

Various 2 consultation

8. On 25 May 2022 DCC submitted an amended TMAD to BEIS for re-designation together with its consultation conclusions and copies of the eight responses received from stakeholders. We note that the majority of respondents were supportive of the proposals but that key concerns were raised on the following issues:
- a. One respondent was unable to support proposals on introducing two separate exclusion categories where there are firmware upgrade and configuration failures for the MOC MDS and IOC cohorts without assurances that the firmware upgrade

² <https://www.smartdcc.co.uk/consultations/smets1-consultation-initial-closure-matters/>

³ <https://www.smartdcc.co.uk/consultations/smets1-consultation-active-to-dormant/>

⁴ The current version of the SEC is available from <https://smartenergycodecompany.co.uk/the-smart-energy-code-2/>

attempts were not compressed into a limited number of days. DCC has discussed this with the respondent and highlighted in its conclusions document that detail on scope of attempts is set out in its TMAD Various 1 Consultation.⁵

- b. Under DCC proposals to exclude dormant SMETS1 meters where there are unresolved data issues and duplicate MPANs and MPRNs (as captured by Clauses 18.12 and 18.13 of the TMAD), two respondents considered that where one SMETS1 installation is communicating it should still be attempted for migration irrespective of whether it was the last installed device on record. DCC disagreed with arguments to broaden the approach on the basis it was seeking to minimise the risk of inadvertent data access which could place industry parties at the risk of a Data Protection Act breach (in events where the meters are migrated to the incorrect MPAN and MPRN).
 - c. One respondent objected to the proposal to extend partial migration to the MOC MDS cohort as they considered that partial migration could lead to a poor customer experience on the basis that only the ESME (electricity meter) would be providing smart services and suggested that these installations should be replaced with SMETS2+ dual fuel devices. This issue has been explored in detail as part of bringing in partial migration for IOC and DCC's position is that this approach will maximise the migration of dormant meters and expedite the restoration of interoperable smart services for consumers.
9. We note that DCC provided clarification on wider issues raised by respondents in its consultation response and that respondents supported the proposed TMAD re-designation date of 11 May (or within one month thereafter). We note that prior to issuing its consultation response, DCC held bilaterals with some suppliers to clarify points and to seek to reach consensus on the proposals.
10. DCC has obligations to advise impacted Energy Suppliers on how the decisions impact them, where DCC reasonably knows this information. The intention is that details on the extent of impact of any proposals on each Energy Supplier's own dormant portfolio would be provided to them by DCC via the existing DCC SharePoint used for the exchange of SMETS1 Migration information at the time of publication. We note that whilst this information was not made available during the course of the consultation and whilst no stakeholders raised this with DCC, on Monday 16 May 2022, DCC made this information available via DCC's SharePoint that is used for the exchange of SMETS1 information between DCC and Energy Suppliers and DCC contacted Energy Suppliers on this setting a further consultation response window to Monday 23 May 2022.
11. Taking this engagement into account, the Government believes that due process has been followed and in the light of responses, it is appropriate to re-designate TMAD in line with the proposals.

Active to Dormant consultation

12. On 25 May 2022 DCC submitted an amended TMAD to BEIS for re-designation together with its consultation conclusions and copies of the six responses received from stakeholders. We note that all respondents supported DCC proposal and that DCC has

⁵ <https://www.smartdcc.co.uk/consultations/smets1-consultation-various-1/>

reached out to some respondents to clarify scope of proposals and how the process will work in practice.

13. We note that one respondent raised a concern on how the proposed exclusion category approach would work for split supply sites i.e. where there are two Active Meters and the Electricity Supplier and Gas Supplier are different. We are satisfied that DCC plan to reflect further on how the exclusion category will fit with these sites ahead of any proposed closure to the IOC Requesting Party (with only IOC and MOC Secure cohorts with more than one Energy Supplier operating Active Meters in respect of the same SMETS1 Installation).
14. All six respondents either supported or did not object to the proposed re-designation date of 6 June (or within a month thereafter).
15. The Government believes that it is appropriate to re-designate TMAD with the proposed exclusion category. In coming to this view, BEIS recognises that DCC has engaged respondents to clarify and provide guidance on the options that were raised.

Initial Closure Matters consultation

16. On 25 May 2022 DCC submitted an amended TMAD, SVTAD and ETAD to BEIS for re-designation together with its consultation conclusions and copies of the eight responses received from stakeholders. DCC spoke with two respondents to confirm some aspects of their responses. We note that the majority of respondents were content with all proposals although key concerns were raised on the following issues:
 - a. One respondent disagreed with the proposal to remove Clause 7.2 of the TMAD that currently provides that each RP Decommissioning Date should not be earlier than 12 months from the last EPCL entry for each GroupID. The respondent expressed a view that altering such a clause prior to their completion equates to poor governance practice and would remove an important marker from the TMAD. DCC recognised this concern and noted that 'earlier' was a new requirement arising for cohorts that are nearing completion and 'earlier' may not be appropriate for all cohorts. Given this concern, DCC have constrained the proposal here to only the MOC (MDS) cohort and will consult as needed on amending Clause 7.2 for each cohort.
 - b. One respondent raised a concern that there should be a longer period to allow for discussions between MAPs and Energy Suppliers in relation to Unaccounted SMETS1 Devices. DCC has now provided each Energy Supplier that submitted an RFI response with a detailed breakdown covering an assessment of their information in order to resolve this matter. DCC further discussed this matter with the respondent who accepted that a delay is not needed for the closure of MOC (MDS).
 - c. One respondent expressed support for the principle that PPCT should be restricted to existing test devices but expressed concern about device availability moving forward and that care should be taken to maximise the use of existing test devices. DCC notes it is proposing an amendment to the ETAD to require the DCC to maximise asset re-use and use assets in accordance with Good Industry Practice to reflect its general commitment here (via a new Clause 13.8 in the ETAD). DCC has discussed this matter

with the respondent who expressed the view that DCC's proposed approach addressed the points raised.

17. All respondents agreed with the proposed re-designation date for the TMAD, ETAD, and SMETS1 SVTAD as 20 May 2022 (or within a month thereafter). We note that one respondent removed an objection following discussion in relation to the issue at 16a above.
18. The Government considers it appropriate to bring in the proposed changes to the SMETS1 TMAD, SMETS1 SVTAD and ETAD to facilitate the efficient and timely closure of a Requesting Party and notes that a number of proposals are focused only on MOC MDS and that similar process considerations will be needed when other RP closures are brought forward. We also note that following the consultation DCC using its powers in SVTAD will be making those changes to MTAD that effect the partial de-commissioning of elements of MDUST for IOC and MOC MDS and we have no reason to oppose this.

Direction

This direction is made for the purposes of the smart meter communication licences granted to Smart DCC Ltd under the Electricity Act 1989 and the Gas Act 1986 (such licences being the "DCC Licence") and the Smart Energy Code designated by the Secretary of State pursuant to the DCC Licence (such code being the "SEC").

Words and expressions used in this direction shall be interpreted in accordance with Section A (Definitions and Interpretation) of the SEC.

Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State directs that with effect from 10 June 2022 the SMETS1 Transition and Migration Approach Document, previously designated and incorporated into the SEC as Appendix AL, is hereby re-designated and incorporated in the form set out at Annex B of this direction.

Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State directs that with effect from 10 June 2022 the SEC Variation Testing Approach Document for SMETS1 Services, previously designated and incorporated into the SEC as Appendix AK, is hereby re-designated and incorporated in the form set out at Annex D of this direction.

Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State directs that with effect from 10 June 2022 the Enduring Testing Approach Document, previously designated and incorporated into the SEC as Appendix J, is hereby re-designated and incorporated in the form set out at Annex F of this direction.

For the avoidance of doubt any re-designation of the Subsidiary Documents shall be without prejudice to anything done under the DCC Licence or the SEC on or after these documents first being designated, or to the continuing effectiveness of anything done under these documents prior to their re-designation (which shall have effect as if done under the re-designated documents).

This direction is also being notified to the SEC Administrator and an updated version of the SEC to reflect these changes will be available on the SEC website in due course.

Yours faithfully,



Duncan Stone

Deputy Director & Head of Delivery,
Smart Metering Implementation Programme

(An official of the Department for Business, Energy & Industrial Strategy authorised to act on behalf of the Secretary of State)

Annexes (separate documents)

Annex A: SEC Appendix AL – SMETS1 Transition Migration Approach Document v.20.0 – (marked up against v.19.0)

Annex B: SEC Appendix AL – SMETS1 Transition Migration Approach Document v.20.0

Annex C: SEC Appendix AK – SVTAD for SMETS1 Services v.10.0 (marked up against v.9.0)

Annex D: SEC Appendix AK – SVTAD for SMETS1 Services v.10.0

Annex E: SEC Appendix J – ETAD v.6.0 (marked up against v.5.0)

Annex F: SEC Appendix J – ETAD v.6.0