



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

30 July 2025

Dear Colleague,

**SMART METERING IMPLEMENTATION PROGRAMME: CONCLUSION TO CONSULTATION
ON CHANGES TO THE SEC TO PROVIDE FOR AN OPTION THAT WOULD ALLOW SHORT-
NOTICE ORDERING OF 2G/3G COMMUNICATIONS HUBS**

On 17 January 2025, the Department for Energy Security & Net Zero (DESNZ) issued a consultation document¹ proposing changes to the Smart Energy Code (SEC), specifically the Network Evolution Transition and Migration Approach Document (NETMAD) (Appendix AU) to introduce an option that would, if exercised, support the ordering of 2G/3G Communications Hubs (CHs) at short notice. The consultation closed on 25 February 2025, and five responses were received.

Two respondents agreed with the proposals (both with some caveats to their agreement). One respondent disagreed with the proposals suggesting that there was no clear risk or justification for the change. The two other respondents did not say whether they agreed or disagreed with the proposals. One of the neutral respondents stated that the Initial Pallet Validation (IPV) stage of 4G CHs had resulted in positive outcomes, and that they had a high degree of confidence that there would not be a delay to mass rollout for 4G CHs and that devices installed as part of IPV were performant. Various other points were made by all of the respondents.

Since issuing the consultation, the DCC has confirmed to DESNZ that it has been unable to agree the necessary contract changes that would be needed to support the 2G/3G CH short notice ordering arrangements. Therefore, it is not possible to proceed with the implementation of the proposed changes. Given this situation, we have not analysed or provided direct responses to the consultation comments received.

As outlined in our consultation, the proposal to introduce a short notice ordering capability stemmed from the risk that suppliers would need to order further 2G/3G CHs on an accelerated timescale in the event of an unexpected delay in the introduction of 4G CHs or issue found after deployment starts at scale. The DCC continues to report on the volume of 2G/3G CH stock that energy suppliers have committed to, which, as at end June 2025, would provide rollout contingency until January 2026. If energy suppliers require additional 2G/3G CH stock to further mitigate this risk, these will need to be ordered as per the requirements specified in the SEC. The DCC will continue to provide reporting on 4G CH performance at the SEC Operations Group. It is noted that 4G CH mass deployment commenced in July 2025 following the delivery to industry of c.108k 4G CHs.

¹ <https://smartenergycodecompany.co.uk/desnz-consultation-on-changes-to-the-sec-to-provide-for-an-option-that-would-allow-short-notice-ordering-of-2g-3g-communications-hubs/>

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Cosgrove', written in a cursive style.

James Cosgrove

Deputy Director

Smart Metering Implementation Programme

(An official of the Department for Energy Security & Net Zero authorised to act on behalf of the Secretary of State).