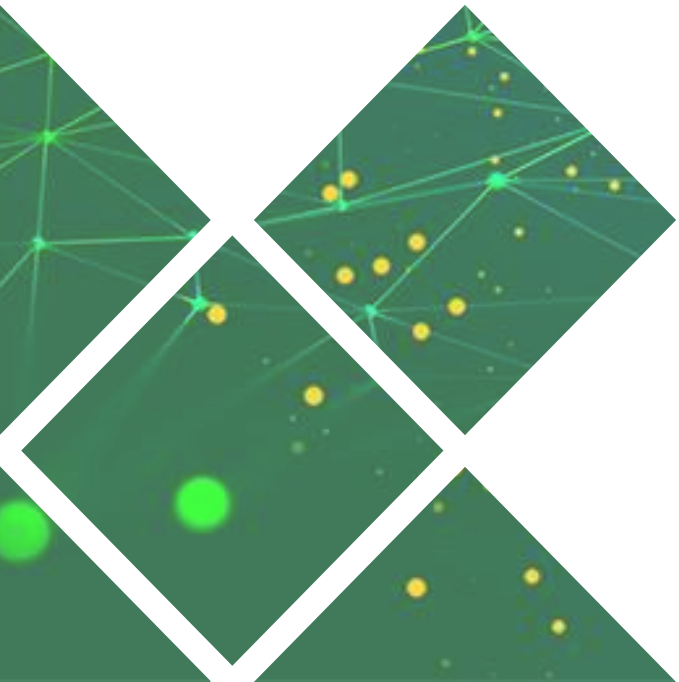


Change Board Meeting 97x

10 January 2025



Meeting Recordings

- Going forward, SEC Sub Committee meetings will be recorded for the purpose of ensuring accuracy of meeting minutes. By participating in the meeting, you accept that your voice will be recorded for this purpose.
- Just a reminder that we should be able to have free discussions of ideas

Competition Act Compliance

It is everyone's responsibility to say something

The Chair will move the conversation on



■ Change Board Terms of Reference

- The Change Board is the delegated Sub-Committee of Panel for voting on Modifications. The Change Board has power to:
 - consider each Modification Report and the Modification Report Consultation responses presented at the end of the Modifications Process. It will agree **whether the Modification Report is ready to be voted upon**, and if not **what further analysis or clarifications are required** before the Modification Report can be voted upon;
 - **perform the final vote** on approval or rejection of a Modification Proposal. For a Self-Governance Modification, the Change Board's vote shall form a decision, which is then subject to a 10 Working Day period in which Parties can refer this outcome to the SEC Panel before becoming final. For any other Modification Proposal, this vote shall form a recommendation to the Authority, who will make the final decision; and
 - **determine if the DCC Impact Assessment should be performed**, with the costs of that incurred by Parties. Where the Change Board believes this is not the case, it will need to state **what further work is required** before it will agree to request the DCC Impact Assessment.

■ Agenda

1. Change Board Vote

Agenda Item 1

Change Board Vote

MP275 'Section K changes to support 4G Communications Hubs rollout'

Georgie Severin

Raised by Jonathon Helyer from the Data Communications Company (DCC)

VERY HIGH

■ MP275: Overview

- Currently, CHs Charges are split into Single Band and Dual Band.
- CH returned not redeployed Explicit Charge was not originally envisioned for a full-scale swap-out of all CH in a region.

Issue



- Concerns that this would disincentivise Suppliers from installing 4G CHs to avoid higher Charges in the early years of 4G deployment, and consumers in the North Region would see increase in charges to account for 4G CH installation in the Central and South Region.

Impact

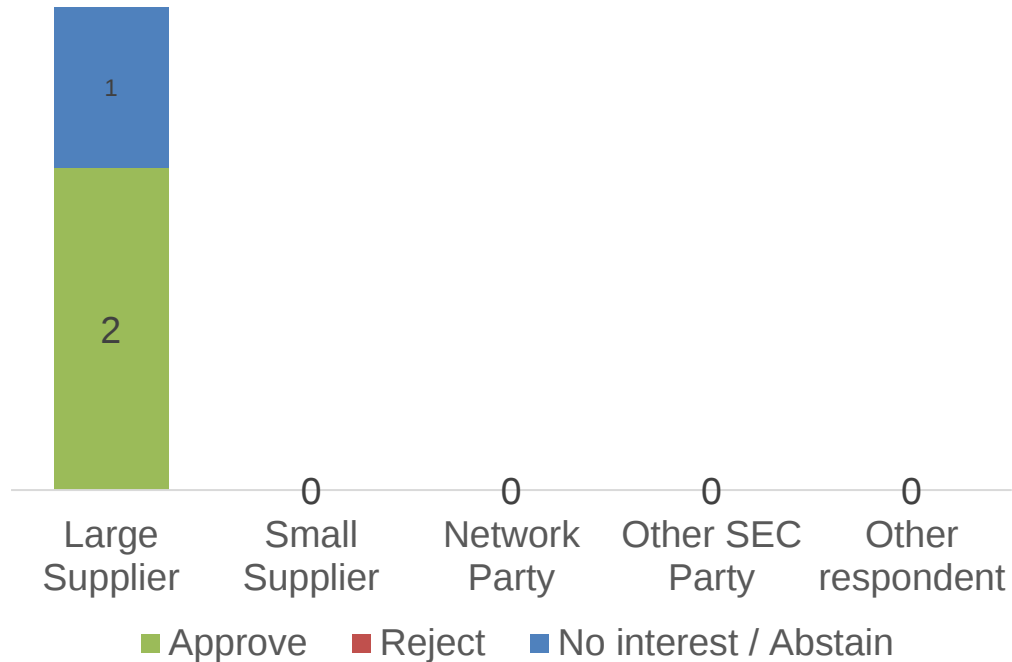


- 'Unitary Charge' introduced to bridge the gap between Single Band and Dual Band CHs and ensure charges are shared across consumers.
- Changes to the Charging Methodology to include the required monthly financing repayment under the CH Fixed Charge for 2G/3G CH swap-out.

Proposed Solution



■ MP275: MRC key points



Key comments

- Approving respondents believed the Modification should be approved to avoid delays on 4G CH mass rollout and ensure costs are equitably levied across industry.
- Concerns raised about the final costs, and both an approving respondent and the abstaining respondent highlighted the need for the DCC to ensure the final costs are mindful of the impact on the end consumer.
- An approving respondent emphasised the need for the DCC to be transparent on any changes to assumptions or improved forecasts to ensure cost-efficiency.

Ofgem

- Granted Urgency
- Expressed concern that Parties may not have the full picture of the issue and proposed solution

Working Group

- Expressed concerns that there was no tangible evidence of how these Charges would look in a Charging Statement.
- The Solution may be 'what is needed' but further information should be provided

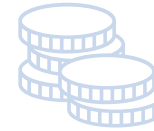
Assessment of Change

Impacted Parties



- Suppliers

Costs



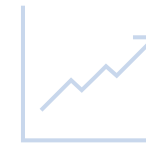
- SECAS implementation costs
- Consequential costs to Parties - £100k - £1m

Target Release



- Ad hoc SEC Release
- One WD following Authority Decision

Benefits



- Removes disincentive to delay 4G CH rollout

SEC Objective (a), (b), (d), (g)

- (a) facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain
- (b) enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence
- (d) facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy
- (g) facilitate the efficient and transparent administration and implementation of this Code

■ MP275: Recommendations

- **AGREE** this Modification Proposal should proceed to vote
- **RECOMMEND** to the Authority whether this Modification Proposal should be **APPROVED** or **REJECTED**
- **PROVIDE** rationale for this recommendation relating to the General SEC Objectives

SEC Objective (a), (b), (d), (g)

- (a) facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain
- (b) enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence
- (d) facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy
- (g) facilitate the efficient and transparent administration and implementation of this Code