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DP206

‘Allowing Generation Licence Holders to Apply Export MPANs’

Modification Report

Version 0.1

10 May 2022

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About this document

This document is a draft Modification Report. It currently sets out the background, issue, and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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1. Summary

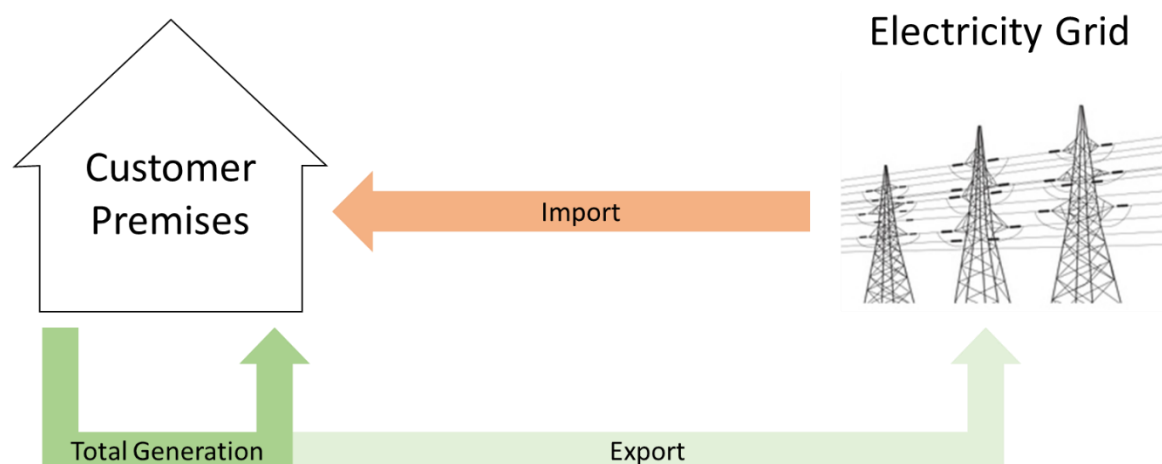
This proposal has been raised by Tom Woolley from SMS Plc.

Parties that hold an Electricity Generation Licence are permitted under the licence conditions to trade export energy from domestic sites. However, as the Smart Energy Code (SEC) and its supporting technical specifications are currently written, only Export Suppliers that hold an Electricity Supply Licence can apply an Export Meter Point Administration Number (MPAN) to Smart Metering Equipment Technical Specifications (SMETS) Devices. This is preventing SEC Parties from exercising their rights under the Electricity Generation Licence, and subsequently limiting choice for domestic customers who wish to generate revenue for their export energy.

2. Issue

What are the current arrangements?

Electricity 'generation' is the total amount of energy generated by a premise. Electricity 'export' is the amount of generated energy not used by the premises that is transferred back into the grid.



Parties with an Electricity Generation Licence can trade energy that is being exported from consumer premises. However, to register an Export MPAN on a Smart Meter under the current arrangements in SEC Appendix AD 'DCC User Interface Specification (DUIS)' section 3.1, Parties must hold the DCC User Role of 'Export Supplier'. Under the current version of the SEC only Parties with an Electricity Supply Licence are eligible for the 'Export Supplier' User Role. This was not designed to explicitly exclude organisations with Generation Licences; such licences are conferred by Ofgem and do not require Licensees to accede to the SEC.

What is the issue?

SEC Section H 'DCC Services' clause 1.6(a) states that the DCC shall only accept an Export Supplier's User Identification (ID) number if the Party holds an Electricity Supply Licence. SEC Appendix AD 'DCC User Interface Specification' section 3.1 states that only Parties with the User Role 'Export Supplier' can send Service Reference Variant (SRV) 6.20.2 'Set Device Configuration (Export MPAN)'.

This means that Parties must hold an Electricity Supply Licence to register an Export MPAN on a smart meter; an Electricity Generation Licence on its own is not sufficient.

What is the impact this is having?

Ofgem grants Generation Licences to organisations other than Suppliers. This benefits the energy market by offering greater flexibility behind the meter boundary point and encouraging renewable generation by enabling bespoke export tariffs, both of which contribute towards the industry's net zero target.

By not allowing Generation Licence-holders to register Export MPANs on a smart meter unless they also hold an Electricity Supply Licence, the current arrangements prevent these benefits from being fully realised. Obtaining an Electricity Supply Licence requires an organisation to undergo additional assessments, including DCC User Entry Process Testing (UEPT) and Chief Information Officer (CIO) Risk Assessment, which incur costs and require additional time and resource to complete.

Impact on consumers

Currently, domestic solar customers can only generate revenue from their Smart export energy through the Smart Export Guarantee (SEG) scheme. This is a scheme which came into force in January 2020 which requires Energy Suppliers to purchase exported electricity¹. SEG rates are usually higher where the customer also buys their import from the same Supplier, which limits customer choice when obtaining a Supplier contract. SEG rates are generally lower than what the Proposer believes they can offer customers for their electricity generation.

3. Assessment of the proposal

Observations on the issue

Areas for assessment

As part of the modification assessment, the Smart Energy Code Administrator and Secretariat (SECAS) will engage with the Chairs from the Operations Group (OPSG), the Technical Architecture and Business Architecture Sub-Committee (TABASC), the Security Sub-Committee (SSC) and the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) to confirm what input is required from these forums.

¹ <https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg>

SECAS believes the following Sub-Committees will need to input to this modification:

Sub-Committee	Input needed
OPSG	Will allowing Parties with an Electricity Generation Licence to act as Export Suppliers have an impact on other operational processes?
SMKI PMA	No input needed.
SSC	How will Parties with an Electricity Generation Licence who wish to act as Export Suppliers be security assessed?
TABASC	Will allowing Parties with an Electricity Generation Licence to act as Export Suppliers require changes to the technical architecture?

Appendix 1: Progression timetable

On 17 May 2022 SECAS will present this modification to the Change Sub-Committee (CSC) for initial comment before further developing the issue with the Proposer and the DCC.

Due to the high number of modifications which have been raised this month SECAS is recommending this modification is added to the waiting list until there is sufficient capacity to progress the Proposal.

Timetable	
Event/Action	Date
Draft Proposal raised	10 May 2022
Presented to CSC for initial comment	17 May 2022
CSC agree this Proposal is placed on the waiting list	17 May 2022

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CIO	Chief Information Officer
CSC	Change Sub-Committee
DCC	Data Communications Company
DUIS	DCC User Interface Specification
ID	Identification
MPAN	Meter Point Administration Number
OPSG	Operations Group
SEC	Smart Energy Code
SECAS	The Smart Energy Code Administrator and Secretariat
SEG	Smart Export Guarantee
SMETS	Smart Metering Equipment Technical Specifications
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SRV	Service Reference Variant
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee
UEPT	User Entry Process Testing