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DP210

‘RSA forecasts, orders and pay stock charges for Alt HAN Equipment’

Modification Report

Version 0.2

9 August 2022



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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Contact

If you have any questions on this modification, please contact:

Bradley Baker

020 7770 6597

bradley.baker@gemserv.com

1. Summary

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

Registered Supplier Agents (RSAs) can work with numerous Suppliers simultaneously and install Smart Metering Equipment on their behalf. However, only Suppliers can currently order and send forecasts of installation volumes of Alternative Home Area Network (Alt HAN) equipment. Explicit Charges are then levied against 'Relevant Suppliers' in accordance with Smart Energy Code (SEC) Section Z 'Alt HAN Arrangements' for Devices either held in stock or installed at premises they supply.

The Alt HAN processes do not currently provide for RSAs to undertake the forecasting and ordering on behalf of Suppliers, and SEC Section Z does not provide for Explicit Charges to be levied against RSAs for Devices held in stock.

The Proposer considers it would be beneficial for Meter Equipment Manager (MEM) RSAs to be able to order the Alt HAN equipment which they would be installing on behalf of Suppliers, and therefore incur the Explicit Charges for Devices they hold in stock on behalf of the Suppliers they work for.

2. Issue

What are the current arrangements?

Currently, only energy Suppliers can forecast and order Alt HAN equipment. SEC Section Z 'Alt HAN Arrangements' requires that Explicit Charges are levied against 'Relevant Suppliers' for Devices held in stock and installed. As such, the Alt HAN processes do not currently provide for RSAs to undertake the forecasting and ordering on behalf of Suppliers and SEC Section Z does not provide for Explicit Charges to be levied against RSAs for Devices held in stock.

For Smart Metering Equipment, RSAs such as MEMs can install and store equipment on Suppliers' behalf, but the forecast and ordering remain the responsibility of the Supplier. Similarly, Explicit Charges for Devices held in stock by the MEM are charged to the Suppliers only.

Alt HAN Explicit Charges

The cost recovery for Alt HAN is broken down into Fixed and Explicit Charges. The Explicit Charges apply to 'in stock' (warehoused) and 'on the wall' (installed) Alt HAN Devices on a 'per Device' basis.

What is the issue?

The Proposer has stated that it would be beneficial for RSAs to be allowed to forecast and order Alt HAN equipment on behalf of the Suppliers that they are affiliated with. For a Supplier to have an RSA to manage the forecast and ordering¹ and be responsible for the associated Explicit Charges for

¹ Alt HAN Co is investigating if other solutions could apply that would negate the need for Explicit Charges to be levied against RSAs whilst allowing RSAs to undertake the forecast and ordering for their Suppliers.

Devices, Section Z would need to recognise that Other SEC Parties (RSAs) can be liable for those Explicit Charges.

The Proposer has also informed the Smart Energy Code Administrator and Secretariat (SECAS) that changes would need to be made to the Alt HAN 'Supplier Contract' and supporting Alt HAN operational processes to implement the necessary changes. These documents and processes reside within the Alt HAN Forum Governance. SECAS would need to co-ordinate with the Alt HAN Forum to ensure any changes align with this modification.

This change would be specific to the scenario where RSAs are required to be charged directly for any 'in stock' Alt HAN Devices.

In addition, the DCC would need to ensure it could process Explicit Charges from Alt HAN Co for RSAs as part of the Alt HAN cost recovery arrangements.

What is the impact this is having?

Suppliers cannot wholly outsource the forecasting and provision of Alt HAN equipment to their RSAs, increasing the burden on Suppliers. This is likely to be a greater issue for Small Suppliers for two reasons:

- they may rely more heavily on their agents to fully manage their smart installation operational processes; and
- they may not require sufficient Devices to meet the 'minimum threshold' for Alt HAN ordering requirements.

Without RSAs being able to forecast and order Alt HAN equipment, Suppliers may be restricted, and in some cases unable to support the implementation of Alt HAN solutions. This could be due to a lack of human resources as well as a potential lack of warehouse capacity.

Impact on consumers

If Suppliers face barriers when attempting to roll out Alt HAN Devices and are unable to outsource this function to their RSAs then they may not be able to offer Alt HAN functionality to consumers. This will result in consumers being unable to realise the full benefits of smart metering.

3. Assessment of the proposal

Areas for assessment

Sub-Committee input

As part of the modification assessment, SECAS engaged 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.

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

Sub-Committee input	
Sub-Committee	Input sought
OPSG	To confirm that allowing RSAs to forecasts, orders and pay stock charges for Alt HAN equipment is a satisfactory solution to the issue identified and does not have any adverse operational impacts. The OPSG Chair commented that they would like to receive updates for information only.
SMKI PMA	None – No impacts on the SMKI document set.
SSC	None – No impacts on the Security infrastructure.
TABASC	None – No architecture changes should result from this modification.

In addition, SECAS will work in parallel with the Alt HAN Forum (via Alt HAN Co) to understand the impacts and ensure the solution can be aligned to any necessary changes to the Alt HAN processes and Supplier Contract.

The TABASC Chair queried if ordering Alt HAN equipment will have any associated DCC costs. This will be investigated during the Development Stage.

SECAS noted that 'RSA' may not be the correct term to be used in the legal text. A more generic term may be more beneficial to futureproof the legal text change. SECAS will seek advice from the Proposer, Alt HAN Co and the SEC Lawyer when drafting the legal text.

The OPSG Chair queried the process RSAs will use to forecast the required quantities of Alt HAN equipment. For example, will this be through an RSA's own forecasts or will they contact their associated Suppliers to create an aggregated forecast.

The Alt HAN Chair confirmed that an RSA could aggregate orders across a number of Suppliers. This will allow the RSA to meet the minimum order requirements and manage the end-to-end forecast and ordering process for those Suppliers. In this instance the RSA could take responsibility for the Explicit Charges up to the point that the equipment is installed (at this point the Explicit Charge is linked to the MPxN).

Views on the issue

Change Sub-Committee initial feedback

A Device Manufacturer representative asked if the RSA User Role covers all the Parties that should be considered under this modification. Some Small Suppliers use other third parties who may not be signed up as an RSA. They considered the principle of this modification should be to cover all the Parties that may be affected, to avoid further modifications being needed in the future.

A Change Sub-Committee (CSC) member highlighted that participants don't need to be a DCC User to order Communications Hubs, they just need to be a SEC Party, and inquired if the same would apply to Alt HAN equipment. SECAS will seek legal advice from the SEC Lawyer during the Refinement Process.

The CSC also highlighted the timing and potential overlap with other Alt HAN related modifications already in flight. A member noted there were barriers for smaller Suppliers ordering Alt HAN equipment due to the minimum order levels. They highlighted [MP170 'Firmware updates to Point to Point Alt HAN Devices'](#), which relates to the 'Over the Air' (OTA) firmware updates for Alt HAN

Devices, and queried if DP210 may result in more Alt HAN Devices being installed that are not capable of OTA firmware updates. SECAS will clarify this with the Alt HAN Co.

Appendix 1: Progression timetable

SECAS will present the proposal to the CSC on 16 August 2022 with the recommendation that it proceeds to the Refinement Process. SECAS will then present the business requirements and the Proposed Solution to the Working Group.

Timetable	
Event/Action	Date
Draft Proposal raised	4 Jul 2022
Presented to CSC for initial comment	19 Jul 2022
SEC Sub-Committee Chair triage meeting	20 Jul 2022
Business requirements developed with Proposer, Alt HAN Co and DCC	Jul – Aug 2022
Presented to CSC for final comment and recommendations	16 Aug 2022
<i>Solution and legal text developed with the Proposer</i>	<i>Aug 2022</i>
<i>Modification discussed with the Working Group</i>	<i>7 Sep 2022</i>
<i>Refinement Consultation</i>	<i>12 – 30 Sep 2022</i>
<i>Modification discussed with the OPSG</i>	<i>13 Sept 2022</i>
<i>Modification Report approved by CSC</i>	<i>18 Oct 2022</i>
<i>Modification Report Consultation</i>	<i>19 Oct – 9 Nov 2022</i>
<i>Modification approved by Change Board</i>	<i>23 Nov 2022</i>

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
Alt HAN	Alternative Home Area Network
Alt HAN Co	Alternative HAN Company
CSC	Change Sub-Committee
HAN	Home Area Network
MEM	Metering Equipment Manager
MPxN	Meter Point Identifier Number
OPSG	Operations Group

Glossary	
Acronym	Full term
OTA	Over-the-Air
RSA	Registered Supplier Agent
SEC	Smart Energy Code
SECAS	The Smart Energy Code Administrator and Secretariat
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee