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DP238 'TSAT Expired Communication Hubs'

Modification Report

Version 0.1

14 March 2023



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 David Rollason from the Data Communications Company (DCC).

When the Smart Energy Code (SEC) was originally written, it was assumed that Communications Hubs would be installed before the relevant installation end date set out in SEC Schedule 11. Communications Hubs that have passed their installation end date and remain in DCC User stock are charged for at a Communication stock level charge. There is no benefit of having the Communications Hubs in stock since it cannot be installed. Many Communications Hubs are not being returned to the DCC. This may add unnecessary pressure on the supply chain and requires a higher production of new Communications Hubs than is required.

2. Issue

What are the current arrangements?

Communications Hubs must be installed before the relevant Installation end date as recorded in SEC Schedule 11 'Technical Specification Applicability Tables' (TSAT). Where a Communications Hub is not installed before the end date it should be returned to the DCC. The DCC will then try to refurbish that Communications Hub for redeployment. If it is not able to do so, then the Communications Hub will be reported lost or stolen. Parties are charged for these services by DCC once the outcome of a refurbishment attempt is known. The charges are: £8.27 for a Communications Hub that can be redeployed, or £30.87 for a Single Band and £58.75 for a Dual Band Communications Hub that is returned but cannot be redeployed. If a Communications Hub is not returned, the responsible Party continues to be charged the pre-installation Communication stock level charge on the Device indefinitely.

The Installation Validity Period (IVP) is aimed to act as a mechanism to encourage Parties to install older stocks of Devices to reduce scrappage.

There have previously been three instances where an extension of the Installation Validity Period (IVP) for Communications Hubs has been approved. These modifications are available here.

- [MP139 'MVP and IVP dates for CHTS'](#)
- [MP191 'Extending CHTS v1.0 & v1.1 IVP and MVP end dates'](#)
- [MP201 'CHTS v1.1 and GBCS v2.0 Applicability End Date'](#)

The IVP for v1.0 Communications Hubs ends on 30 April 2023. Any such Communications Hubs not installed by this date must either be reported as lost or stolen or returned to the DCC.

What is the issue?

The current supply chain for the components required to build a Communications Hub is stretched. Being able to refurbish existing Communications Hubs whose installation dates have expired would reduce the reliance on new Communications Hubs being built. However, until an expired Communications Hub is returned it cannot be serviced and made available for future delivery and

installation. This is being exacerbated by the Communications Hubs that are not going to be installed by Parties being held in stock, where they could be returned.

Version 1.0 Communications Hubs must be installed by 30 April 2023. Records provided by the DCC show that approximately 155,000 such Communication Hubs still need to be installed.

The DCC continues to bill Parties for the Communication stock level charge of these Devices with a IVP deadline date which has been extended on multiple occasions. The IVP is intended to act as a motivator to Parties to install older version of stocks, however this does not appear to be working.

What is the impact this is having?

There is no benefit of holding a Communications Hub after the IVP date has been reached since it cannot be installed. Communications Hubs that are available for return to the DCC, but are not returned, cannot be refurbished and redistributed for future installation. Non-returned Communications Hubs, which may have been lost or stolen, skew the industry view of stock and should be reported as such.

This adds unnecessary pressure to the supply chain and requires a higher production of new Communications Hub than may actually be needed. This causes an environmental impact through the production, transportation and materials needed to make more Communications Hubs that may not be needed.

Impact on consumers

The pressure on the Supply Chain could cause Parties to be delayed in receiving Communications Hubs and therefore delay installation at consumer premises.

3. Assessment of the proposal

Areas for assessment

Is further incentive needed to install older stock?

The Smart Energy Code Administrator and Secretariat (SECAS) highlights there have been three previous extensions of Communications Hubs IVP dates. SECAS encourages the relevant parties effected to consider if it would be suitable to implement a change to the SEC to ensure stock is either being used or returned to the DCC. It is understood that there is currently no extra incentive or motivation for Suppliers to return Communications Hubs.

Who should take on liability for Communications Hubs?

Currently, if a Communication Hub is returned, refurbished and redeployed, then a charge of £8.27 per Communication Hub is issued to the relevant party. If a Communication Hub is returned within the IVP, but cannot be refurbished and redeployed, a charge of £30.87 for a Single Band and £58.75 for a Dual-Band Communications Hub is issued to the returning party. Communications Hubs that have passed their installation date and remain in DCC User stock are charged for at a Communication Hub

stock level charge. The Communication Hub stock level charge for a Single Band Communication Hub is £0.55 per month, and for a Dual Band Communication Hub is £0.95.

After a discussion with the DCC a potential solution could be that that once a IVP has been reached and a Communication Hub has not been installed or returned, the Supplier will incur the full costs associated with the number of Communications Hubs needing to be returned. The cost of a Single Band Communication Hub is £30.97. For Dual Band Communication Hubs, the price is £58.75.

Such a solution should consider if there should be a time limit within which to return a Communications Hub which has not been installed, once that Communications Hub passes the IVP.

Sub-Committee input

SECAS will engage 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 provide the following input to this modification.

Sub-Committee input	
Sub-Committee	Input sought
OPSG	Assess and measure any operational implications
TABASC	No anticipated TABASC impacts.
SMKI PMA	No anticipated SMKI PMA impacts.
SSC	No anticipated SSC impacts.

Appendix 1: Progression timetable

This Draft Proposal was raised on 14 March 2023. SECAS will present the proposal to the CSC on 21 March 2023 for initial comment.

Timetable	
Event/Action	Date
Draft Proposal raised	14 March 2023
Presented to CSC for initial comment	21 March 2023
CSC converts Draft Proposal to Modification Proposal	18 April 2023
Modification discussed with OPSG	9 May 2023

Italics denote planned events that could be subject to change.

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
CHTS	Communication Hub Technical Specification
CSC	Change Sub Committee
DCC	Data Communication Company
GBCS	Great Britain Companion Specification
IVP	Installation Validity Period
MVP	Maintenance Validity Period
OPSG	Operations Group
SEC	Smart Energy Code
SECAS	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
TSAT	Technical Specification Applicability Tables