This document is classified as **Clear** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

Smart Energy Code

MP167B

'Review of SEC documents (DCC systems change governance)'

Modification Report

Version 1.0

16 August 2023

Corporate member of Plain English Campaign
Committed to clearer communication
592

Managed by
Gemserv

About this document

This document is a Modification Report. It sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions.

Contents

This document also has two annexes:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.
- **Annex B** contains the full responses received to the Refinement Consultation.

Contact

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

Bradley Baker

020 7770 6597

bradley.baker@gemserv.com

1. Summary

The Proposer for this modification is Tom Rothery from the Data Communications Company (DCC).

The initial intent of MP167 was to review the SEC to ensure that any necessary Code rationalisation takes place. At the time the proposal was raised, the DCC had identified two SEC Sections (T 'Testing During Transition' and X 'Transition') and one SEC Appendix (AN 'SEC Variation Testing Approach Document for BEIS Changes included in the November 2020 SEC Release') that would benefit from a review.

It was agreed by the Proposer and the Department for Business, Energy & Industrial Strategy (BEIS) (now the Department for Energy Security and Net Zero (DESNZ)) that these SEC documents and other identified clauses were no longer applicable to the SEC and have been removed under MP167A 'Review of SEC documents (Testing Approach Document criteria)'.

During the Refinement Process, the Smart Energy Code Administrator and Secretariat (SECAS) has engaged extensively with the SEC Sub-Committee Chairs to ensure that sufficient DCC testing obligations are in place for any User-impacting system releases. As a result, MP167A introduced enhanced Testing Approach Document (TAD) criteria, and MP167B intends to ensure that sufficient testing takes place for DCC projects and programmes that potentially impact DCC Users.

This modification will impact the DCC only. There are no costs to implement this change which is targeted for the February 2024 Release. This is a Self-Governance Modification.

2. Issue

What are the current arrangements?

The Proposer reviewed several documents of the SEC which identified areas that are no longer applicable. An in-depth review by the Proposer and SEC Sub-Committee Chairs resulted in these documents and clauses being removed from the SEC. MP167A bolstered TAD criteria, however the Sub-Committee Chairs requested that projects and programmes outside of scheduled SEC Releases are also subject to sufficient testing. This relates specifically to projects and programmes that may impact DCC Users.

The Programme Assurance Policy

The Programme Assurance Policy (PAP) sets out the framework and processes for SEC involvement and oversight in DCC initiated projects and programmes that have the potential to impact DCC Users. The purpose of this policy is to provide the Panel with the necessary framework and processes to allow it to discharge its role in providing assurance of DCC Programmes; helping to support successful programme delivery to the maximum benefit of SEC Parties. This document went live on 2 January 2023, and can be found here.

What is the issue?

The PAP, although a live document, is not currently referenced in the SEC. Without the PAP being referenced, the DCC is not obligated to adhere to the document, and therefore DCC Users may be adversely impacted by the go-live of projects and programmes.

What is the impact this is having?

There is currently a potential risk to the operational and security processes without having sufficient prescribed testing and assurance in place for DCC projects.

Impact on consumers

If an inadequate level of testing results in DCC Users being adversely affected, they may not be able to provide a sufficient service to end consumers.

3. Solution

Proposed Solution

The Proposed Solution is to define the PAP, and reference the document in the SEC. This will obligate the DCC to adhere to the document when it is initiating a project or programme with potential DCC User impacts.

Scope

Any programme or project initiated by the DCC that has the potential to impact DCC Users should progress in accordance with the PAP. This includes projects and programmes that relate to activities DCC must undertake in accordance with its licence, For example, re-procurement of a Service Provider.

It is understood that a project is a standalone endeavour, whilst a programme may consist of several projects. Please note that the PAP refers to ‘projects’ only. It is intended that this term captures both projects and programmes for the purposes of setting out the framework and process.

The framework within the policy is designed to be flexible and proportionate. Therefore, the exact level of information required, and path through the framework, will be confirmed on a case-by-case basis. For example, it is not expected that every project within a programme will be required to produce the same information required of the overall programme.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
	Large Suppliers		Small Suppliers
	Electricity Network Operators		Gas Network Operators
	Other SEC Parties	✓	DCC

The DCC will be impacted by this modification as if it initiates a potentially DCC User impacting project or programme, it will need to adhere by the PAP. The PAP may be updated following consultation with the DCC and approval by the Panel, and the DCC will be able to appeal any change to the Authority.

A Refinement Consultation respondent stated that although MP167B directly impacts the DCC, it indirectly impacts all Users as without it, the DCC can introduce new projects and policies which may impact Users, but which are not subject to adequate controls and visibility.

DCC System

This modification does not impact DCC Systems, however they maybe be subject to new/additional testing if the change meets the agreed scope of the PAP.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section A 'Definitions and Interpretation'
- Section D 'Modification Process'

The changes to the SEC required to deliver the proposed solution can be found in Annex A.

Consumers

More robust testing should mitigate against potential issues within DCC systems and Smart Metering Systems when new projects and programmes and their additional functionality goes live. As a result, a more reliable service will be provided to the consumer.

Other industry Codes

This modification will have no impact on other industry Codes.

Greenhouse gas emissions

This modification will have no impact on greenhouse gas emissions.

5. Costs

SECAS costs

The estimated SECAS implementation costs to implement this modification is one day of effort, amounting to approximately £600. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

Refinement Consultation respondents stated that they do not anticipate incurring any costs as a result of this modification.

6. Implementation approach

Agreed implementation approach

The Change Sub-Committee (CSC) has agreed an implementation date of:

- **29 February 2024** (February 2024 SEC Release) if a decision to approve is received on or before 15 February 2024; or
- **27 June 2024** (June 2024 SEC Release) if a decision to approve is received after 15 February 2024 but on or before 13 June 2024.

As this is a text-only change, the modification can be implemented ten Working Days following decision.

7. Assessment of the proposal

Views of the Sub-Committee Chairs

During the Development Stage, SECAS held a meeting with the Sub-Committee Chairs to discuss initial observations regarding the original Draft Proposal (DP167). The Chairs commented that any proposed change must be carefully thought through and verified with the SEC Lawyer. Furthermore, they added that SECAS must ensure that any enduring arrangements that need to be kept are allocated to the relevant SEC Section.

Solution development

The DCC and SECAS have developed a solution with extensive collaboration with the SEC Sub-Committee Chairs.

Splitting MP167 into two separate modifications

The rationale for separating MP167 into two separate modifications was to address the issue identified in the two separate areas (TAD criteria (MP167A) and overarching governance around DCC system changes (MP167B)).

Views of the Working Group

SECAS presented the modification and the Proposed Solution to the Working Group. The Working Group approved of the Proposed Solution and provided no further comments.

8. Case for change

Business case

Ensuring that there is sufficient testing in place for User impacting DCC systems changes in light of the removal of Section T should mitigate the risk of Users experiencing issues due to new functionality being delivered. Obligating the DCC to adhere to the PAP will allow the Panel and SEC Parties better monitor how the DCC prepares for the go-live of its User impacting changes.

Support for the Proposed Solution

SECAS received three responses to the Refinement Consultation. All respondents felt that the modification should be approved. One respondent stated that any DCC projects or programmes that impact Users should be subject to visibility and scrutiny. They welcomed the Sub-Committee Chairs' request and the PAP framework. They agreed that the Policy should be referenced within the SEC to ensure the DCC have adequate obligations regarding its compliance and to enable the SEC Panel to have sufficient oversight.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that this modification better facilitates SEC Objectives (a)[1], (e)[2] and (g)[3]. This is due to the Proposed Solution providing further transparency of DCC testing activities for projects

[1] Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain.
[2] Facilitate innovation in the design and operation of energy networks to contribute to the delivery of a secure and sustainable supply of energy.
[3] Facilitate the efficient and transparent administration and implementation of the SEC.

and programmes (now that Section T no longer applies) that will result in greater efficiency of smart metering, while also facilitating innovation and design through implementing the changes.

Industry views

Refinement Consultation respondents agreed with the Proposer's views in regards to the SEC Objectives, with the addition of SEC Objective (b)[4]. The respondent identifying SEC Objective (b) stated that the solution will allow SEC Parties to have a better view and input into DCC projects that would affect them. They also added that it will also make these projects more efficient and accepted across Industry, leading to a more efficient and innovative market.

Views against the consumer areas

Improved safety and reliability

This modification will have a positive impact on safety and reliability as it will ensure that sufficient testing takes place for DCC system changes that impact DCC Users.

Lower bills than would otherwise be the case

This modification will have a neutral impact on the cost of energy bills.

Reduced environmental damage

This modification will have a neutral impact on environmental damage.

Improved quality of service

This modification will result in an improved quality of service as the additional testing should mitigate the risks of issues when DCC systems changes go live.

Benefits for society as a whole

This modification will benefit society as carrying out sufficient testing ahead of DCC systems changes going live will mean that smart metering services should face minimal interruption, while providing benefits of the implemented change.

Final conclusions

SECAS has collaborated with the Proposer and Sub-Committee Chairs to build a robust solution. SECAS has presented this modification and proposed change to the Working Group, which approved of the solution and provided no further comments. The modification was also unanimously supported by Refinement Consultation respondents. MP167B will reference the PAP within the SEC, ensuring

[4] Enable the DCC to comply at all times with the objectives of the DCC licence and to discharge the other obligations imposed upon it by the DCC licence.

the DCC follows an agreed policy when initiating a project or programme with potential DCC User impacts.

Appendix 1: Progression timetable

Timetable	
Event/Action	**Date**
MP167 formally split into MP167A and MP167B	8 Sep 2022
Solution development	Sep 2022 – Apr 2023
Legal text developed with the Proposer	May 2023
Modification discussed at Working Group	7 Jun 2023
Refinement Consultation	28 Jun – 19 Jul 2023
Modification Report approved by CSC	15 Aug 2023
Modification Report Consultation	16 Aug – 7 Sep 2023
Change Board Vote	20 Sep 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**
BEIS	Department for Business, Energy and Industrial Strategy
CSC	Change Sub-Committee
DCC	Data Communications Company
DESNZ	Department for Energy Security and Net Zero
PAP	Programme Assurance Policy
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
TAD	Testing Approach Document