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

MP189 'Party Obligations for Communications Hub Orders'

August 2022 Working Group – meeting summary

Attendees

Attendee	Organisation
Ali Beard	SECAS
Kev Duddy	SECAS
Joey Manners	SECAS
Mike Fenn	SECAS
Elizabeth Woods	SECAS
David Walsh	DCC
David Rollason	DCC
Robbie Macintosh	DCC
Julie Brown	British Gas
Rochelle Harrison	Centrica
Alex Hurcombe	EDF Energy
Daniel Davies	ESG Global
Martin Bell	EUA
Alastair Cobb	Landis+Gyr
Ralph Baxter	Octopus Energy
Mafs Rahman	Scottish Power
Lorna Clarke	SMDA
Aiden Way	So Energy
Matt Alexander	SSE Networks
Shuba Khatun	SSE Networks
Audrey Smith-Keary	OVO
George Macgregor	Utilita
Kelly Kinsman	WPD

Overview

The Smart Energy Code Administrator and Secretariat (SECAS) provided an overview of the issue identified, the Proposed Solution, business requirements and also an update since the business requirements workshop.

Issue

- SEC Appendix H ‘CH Handover Support Materials’ states that the minimum delivery quantity for Communications Hubs (CH) is 896 for the North (N) Region and either 640 or 896 for the Central and South (C&S) Regions (depending on the Communications Hub Variant).
- This minimum order quantity confers a disadvantage to Small Suppliers whose business strategy is not suited to a ‘high volume, low margin’ model.
- Lower installation rates also mean that Parties may find themselves in possession of out-of-date equipment.
- This decreases competition in the industry and could lead to the loss of innovative, tailor-made solutions for specific market areas.

Proposed Solution

- Reduce the minimum delivery quantity of Communications Hubs across all regions.
- The volume is to provide a cost-effective option for Parties that require smaller quantities.

Business requirements

1. The Data Communications Company (DCC) shall offer flexibility in terms of the minimum Communications Hub delivery quantity for each Communication Service Provider (CSP) Region to not put smaller SEC Parties at a financial disadvantage.
2. Parties will have the option of a reduced minimum Communications Hub delivery quantity set out in the SEC that is a reduction in current volumes if requested by a Party.

Further developments

- CSP C&S has notified SECAS that there are clauses within SEC Section F ‘Smart Metering System Requirements’ and Appendix H ‘CH Handover Support Materials’ that allow for Parties to request ‘Non-Standard Delivery Options’. They have also provided anonymised examples of orders received from Parties.

Working Group Discussion

SECAS provided an overview of the issue, Proposed Solution, the business requirements and a summary of discussions held at the requirements workshop.

Business requirements workshop discussions

SECAS informed the Working Group that CSP C&S had stated that there are already clauses within the SEC that allow Parties to order volumes of Communications Hubs that are less than the minimum delivery Communications Hub stated in SEC Appendix H. It appears however, that not all Parties are aware of these clauses. SECAS advised that it could either notify Parties of the clauses through a SEC Newsletter article, or the clauses could be reviewed and amended if necessary.

What constitutes 'Non-Standard Delivery Options'?

An Other SEC Party representative (DD) commented that the current clauses in the SEC do not clearly detail what constitutes a Non-Standard Delivery Option. The Working Group stated that it may be beneficial for the Proposed Solution to incorporate a list of attributes that will constitute a Non-Standard Delivery Option. SECAS also stated that it would be advantageous to state how often a Party can request a non-standard order, to prevent them from becoming the new standard. SECAS will discuss this with the Proposer. It is important to ensure that there is an element of flexibility in the requirements to prevent subsequent modifications being raised.

SECAS also advised that it may be necessary to state the ability to order reduced volumes of Communications Hubs within the legal text. This will be discussed with the Proposer and SEC Lawyers.

SECAS will work with the Proposer and other Small Supplier Parties to develop the legal text that will address the issue identified.

Next Steps

The following actions were recorded from the meeting:

- SECAS will draft the proposed legal text with the Proposer and other Small Suppliers.
- SECAS will issue the legal text to SEC Lawyers for review.