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MP270

‘Enabling DCC to provide SMDA Test House services’

Modification Report

Version 1.0

17 July 2024

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Plain English Campaign
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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.

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This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

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1. Summary

This proposal has been raised by Bradley Baker from the Data Communications Company (DCC).

The Smart Metering Device Assurance (SMDA) Scheme provides assurance to Suppliers that Devices will work as expected. This is done through testing Device interoperability and interchangeability. [MP264 'Updating Independence of SMDA Testing Provisions'](#) (implemented 15 April 2024) allows SEC Parties, the DCC and its Service Providers to bid for provision of SMDA testing services. However, if DCC were to bid for and provide the services, further SEC changes must be made to ensure compliance with its Licence and the SEC.

However, if the DCC were to be awarded the scheme, they would not be able to class this as 'Mandatory Business' as it is not listed under the 'Enabling Services'.

The Proposed Solution would therefore detail the SMDA testing service and make clear that they do not apply if the DCC are not awarded the service.

There would be a positive impact from this modification for the DCC as it would allow the company to remain compliant with the SEC while carrying out SMDA testing, if awarded the contract. There are no other expected impacts from this modification on other Parties. The costs would be limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort. This is a Self-Governance Modification, and, if approved, will be implemented in the November 2024 release.

2. Issue

What are the current arrangements?

Smart Metering Device Assurance

The SMDA Scheme was set up to provide assurance to consumers, Suppliers, and financiers that Smart Metering Equipment Technical Specifications 2+ (SMETS2+) compliant smart meter equipment will work effectively in accordance with the Smart Metering technical specifications, which govern expected Device behaviour and functionality.

The Scheme provides assurance testing of smart metering equipment covering both interoperability with the DCC ecosystem, and interchangeability – ensuring that any new Devices continue to interact as expected with existing Devices connected to the Home Area Network (HAN) in a premises.

The requirements and expectations on SEC Parties regarding interoperability and interchangeability of SMETS2+ Devices are set out in [SMDA - Guidance Interoperability and Interchangeability Obligations and Expectations](#).

SMDA testing follows a set of defined test scripts using the Devices submitted for assurance testing, combined with Test Communications Hubs connected to the DCC User Integration Testing (UIT) environment.

MP264 ‘Updating Independence of SMDA Testing Provisions’

MP264 (Implemented 15 April 2024) removed the restrictions on the Smart Metering Device Assurance Sub-Committee (SMDASC) procuring any of the following to provide the SMDA testing service:

- A SEC Party, the DCC, any DCC Service Providers, the Secretariat or the Code Administrator;
- An Affiliate of a Party (including the DCC), a DCC Service Provider, the Secretariat or the Code Administrator;
- or an employee of any of the above.

Before MP264 was implemented, only non-SEC Parties could provide SMDA testing services.

SMDA Communications Hub testing

SECAS also noted in its SMDA Scheme Review and Double Band Device Testing consultation response that a requirement has been added to the SMDA Service Specification where the DCC will submit Communications Hubs for SMDA testing. Previously, this was a non-mandatory arrangement.

The DCC advises that if it were to provide SMDA testing services, to remove any conflict of interest, Communications Hub testing would remain independent of the services that the DCC provides today. This would be determined/agreed/supported by SMDASC/Panel during the procurement exercise.

What is the issue?

Although MP264 removed restrictions to allow a SEC Party, the DCC or one of DCC’s Service Providers to provide SMDA testing services, if the DCC were to bid for and provide the services, further changes to the SEC would be required to ensure compliance as per the DCC Licence¹.

The DCC would in this scenario, be completing ‘Mandatory Business’², and therefore the DCC has identified that SEC Changes are needed to comply with this definition.

Additionally, there is still a reference to independence in the legal text, which should have been included in MP264. As the independence element is now determined by the SMDASC as part of the tender process, this reference should be removed from the SEC.

What is the impact this is having?

If the relevant SEC changes are not implemented, the DCC would be non-compliant with its License and the SEC when bidding for and – if awarded the service – providing the SMDA testing.

Impact on consumers

This modification will have no impact on consumers.

¹ [Smart Meter Communication Licence \(smartdcc.co.uk\)](https://smartdcc.co.uk)

² means that part of the Authorised Business of the Licensee that consists of the operation or provision, on behalf of or to SEC Parties or REC Parties (or other persons eligible to receive Mandatory Business Services, as described in Condition 17 (Requirements for provision of Services)), of Mandatory Business Services under or pursuant to the SEC or the REC.

3. Solution

Proposed Solution

This modification seeks to enable the DCC to bid for and provide SMDA testing services (if it is awarded the contract) whilst remaining compliant with its Licence and the SEC. This is a text-only change and will not impact DCC Systems.

The Proposed Solution is also seeking to remove a further reference to independence within the SEC, as this is now part of the SMDASC remit in the tendering process.

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

Despite MP264 enabling DCC to potentially provide SMDA testing services, if DCC is to bid for and be awarded the service, further changes to the SEC are required to ensure DCC compliance. The proposed changes will not impact any other SEC Party Category.

DCC Systems

DCC System changes

This modification will have no impact on DCC Systems.

DCC System traffic

This modification will have no impact on DCC System traffic.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section A 'Definitions and Interpretation'
- Section F 'Smart Metering System Requirements'
- Section H 'DCC Services'
- Section K 'Charging Methodology'

- Schedule 7 'Specimen Enabling Services Agreement'
- Appendix J 'Enduring Testing Approach Document'

The changes to the SEC required to deliver the Proposed Solution can be found in Annex A.

Devices

No Device behaviour will be impacted by this change.

Consumers

This modification will have no impact on consumers.

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

DCC costs

This modification has no associated DCC costs.

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is one day of effort, amounting to approximately £600. This cost will be reassessed when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

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

SEC Party costs

SECAS does not anticipate any SEC Party costs because of this modification's implementation.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **7 November 2024** (November 2024 SEC Release) if a decision to approve is received on or before 24 October 2024.
- **27 February 2025** (February 2025 SEC Release) if a decision to approve is received after 24 October 2024 but before 13 February 2025.

The Proposed Solution does not impact SEC Parties. Given the timeline of the SMDA tender, this modification is recommended to go in the earliest release available, which would be November 2024. Should the DCC win the contract, the legal text should be approved by the time it would be expected to start SMDA testing.

7. Assessment of the proposal

Areas for assessment

Sub-Committee input

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

Sub-Committee input	
Sub-Committee	Input sought
OPSG	No input required
SMKI PMA	No input required
SSC	No input required
TABASC	No input required

Observations on the issue

Business Case from the Proposer

MP264 removed the restrictions on which Parties would be able to tender for the SMDA.

However, if the DCC were to be awarded the scheme, they would not be able to class this as 'Mandatory Business' as it is not listed under the 'Enabling Services'. Therefore, details of the SMDA testing service should be included in the SEC and made clear that they do not apply if the DCC are not awarded the service.

Views of the Change Sub-Committee

A member of the Change Sub-Committee queried whether the SMDASC had raised concerns over the lack of competition during the tender process. The member went on to add that if a lack of competition has not been identified, whether the DCC can carry out this function or not is not within the interests of the Change Sub-Committee. SECAS advised that the tender pack has not yet been issued, and thus the number of bidding Parties is yet unknown.

The DCC has expressed an interest in bidding for the service and the views of the SMDASC will be sought during the consultation period. The Proposer highlighted that this modification is a follow-on to MP264's solution of allowing SEC Parties, including the DCC and its Service Providers to tend for the role of SMDA Test House. As the DCC would need to remain compliant with its obligations, MP270 was raised to ensure that the company remains as such by introducing clarifying text within the SEC.

A member of the Change Sub-Committee highlighted that this modification impacts the DCC, but not the wider industry. SECAS agreed and advised that the impact on the wider industry might be that following the tender process, Parties that subscribe to the SMDA Testing Service may not benefit from the most cost-effective option.

The Proposer emphasised that the aim of the modification is to ensure that the DCC remains compliant with its obligations should the company be awarded the SMDA Testing Service contract.

Solution development

The Proposed Solution stipulates that the SMDA testing service should only be applicable if the DCC is awarded the contract. Additionally, to avoid conflict of interest, the testing of Communications Hubs will remain independent of the services the DCC provides.

As part of the solution development, SECAS along with the Proposer sought the input of the SMDASC. Following these conversations, the legal text was amended to reference the SMDA Scheme Operator policy and the DCC SMDA Testing policy. This removed previous references to the Enduring Testing Approach Document (ETAD) for SMDA Testing Participants. References to DCC SMDA Testing remain in the ETAD but are applicable to the DCC only.

8. Case for change

Business case

MP264 supported the tender process to help drive down costs for SMDA Scheme users. The way it achieved this was by removing the restrictions on SEC Parties, including the DCC and its Service Providers, enabling them to bid for the Scheme.

However, for the DCC to bid for and provide the services, the changes identified under this modification must be implemented to ensure DCC compliance.

It would also futureproof the DCC's ability to bid for the SMDA testing service again.

Views against the General SEC Objectives

Proposer's views

The Proposer believes this Modification Proposal will better facilitate SEC Objective (d)³ as it will enable the DCC to potentially provide future SMDA testing services (provided it is awarded the contract).

Views against the consumer areas

Improved safety and reliability

This modification will have a neutral impact on this area.

Lower bills than would otherwise be the case

This modification will have a neutral impact on this area.

Reduced environmental damage

This modification will have a neutral impact on this area.

Improved quality of service

This modification will have a neutral impact on this area.

Benefits for society as a whole

This modification will have a neutral impact on this area.

Final conclusions

This Proposed Solution would implement the changes required to the SEC to allow the DCC to bid and (if awarded the contract) carry out the SMDA testing service. The changes would also ensure the DCC remains compliant with its own Licensing Conditions and their SEC obligations. The legal text would ensure that these changes only applied if the DCC was successful in a bid for the SDMA services.

³ Facilitate effective competition between persons engaged in, or in commercial activities connected with, the supply of energy.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	24 Jun 2024
CSC converts Draft Proposal to Modification Proposal	16 Jul 2024
Modification Report approved by CSC	16 Jul 2024
Modification Report Consultation	17 Jul – 7 Aug 2024
Change Board Vote	20 Aug 2024

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
CSC	Change Sub-Committee
DCC	Data Communications Company
OPSG	Operations Group
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMDA	Smart Metering Device Assurance
SMDASC	Smart Metering Device Assurance Sub-Committee
SMETS	Smart Metering Equipment Technical Specifications
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee
UIT	User Integration Testing