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MP304

‘Scheduling Services for SMETS1 Devices’

Modification Report

Version 1.1

6 January 2026



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 five annexes:

- **Annex A** contains the business requirements for the solution.
- **Annex B** contains the Data Communications Company (DCC) Full Impact Assessment response.
- **Annex C** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.
- **Annex D** contains the DCC Business Case.
- **Annex E** contains the responses to the Refinement Consultation.

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1. Summary

This proposal has been raised by David Walsh from the DCC.

For Smart Metering Equipment Technical Specifications (SMETS)1, Service Reference Variant (SRV) 4.3 'Read Instantaneous Prepay Values' can currently only be requested on an 'On-Demand' or 'Future Dated Service' basis. Each 'On-Demand' and 'future dated' request requires at least one Short Message Service (SMS) text message to be sent, resulting in a significant cost for DCC and DCC customers.

It has been noted in discussion with the Change Sub-Committee (CSC), SEC Panel and Change Board that some Parties believe that this cost should have been included in the SMETS1 Enrolment and Adoption (E&A) programme, however it was not.

The Proposed Solution is to update SEC Appendix AD 'DCC User Interface Specification' (DUIS) to allow SRV 4.3 'DCC Scheduled' Mode of Operation. Allowing SRV 4.3 to be Scheduled will enable Eligible Users to setup scheduled SRV 4.3s to SMETS1 Devices using SRV 5.1. The DCC have estimated that this change may result in £35m cost avoidance up to 2029 and further £15m cost avoidance up to 2032 (as SMETS1 Devices are replaced).

This will impact Large and Small Suppliers and the DCC. The DCC System changes will cost £778,793 (and an estimated £1m post PIT testing costs). SEC Parties (specifically Suppliers will incur costs to uplift to a new DUIS version). These have been estimated at around £50,000 per Supplier on average. To achieve the estimated cost avoidance, this change will need to be implemented into the November 2026 SEC Release. This is being progressed as a Self-Governance Modification.

2. Issue

What are the current arrangements?

Appendix AD 'DCC User Interface Specification' (DUIS) defines the individual SRVs that are eligible for sending as Scheduled Services by Users.

For SMETS1, SRV 4.3 'Read Instantaneous Prepay Values' can currently only be requested on an 'On-Demand' or 'future dated' service basis. As such, Eligible Users must send one of these SRVs to the DCC each time the associated Data is required. As SRV 4.3 is not currently eligible for Scheduled Services for SMETS1 services, Service Users cannot utilise SRV 5.1 'Create Schedule' to schedule SRV 4.3 on a repeating basis.

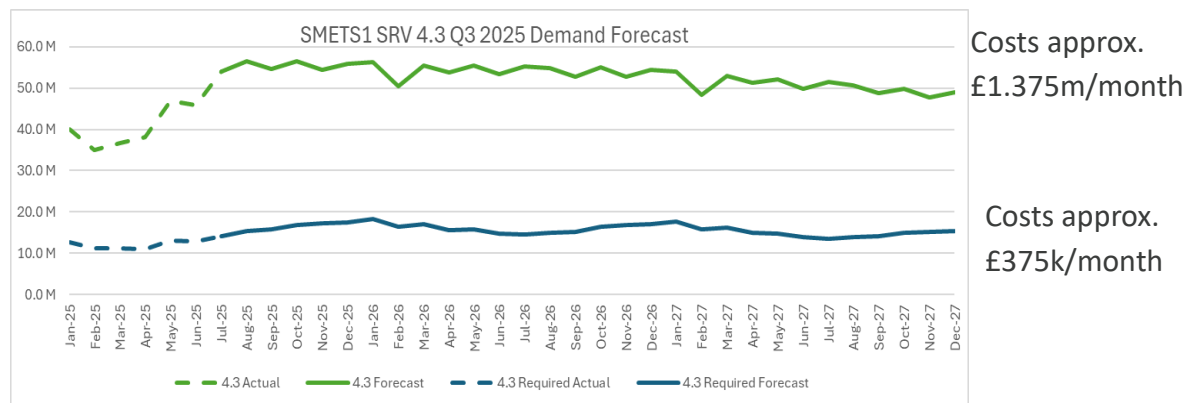
What is the issue?

This results in a high volume of 'On Demand' or 'future dated' SRV 4.3s being requested on a regular, repeated basis. The chart below shows the actual and forecasted volumes of SRV 4.3s based on the DCC 'Q3 2025 Demand Forecast'. In the case of SMETS1, SRV 4.3 volumes are forecast to peak in September 2025 in line with the completion of SMETS1 E&A. This forecast is based on the total volume of SMETS1 Devices migrated to the DCC and current proportion of prepayment Devices enrolled.

What is the impact this is having?

Due to the nature of SMETS1 Device communication, each 'On-demand' and 'future dated' request requires at least one SMS text message to be sent, resulting in a significant cost for DCC and DCC customers. In addition, the running of these SRVs using either the 'On-Demand' or 'future-dated' service is onerous for DCC Users as a new request is made on an individual basis.

The chart below shows the actual and forecast volumes of SRV 4.3 for SMETS1 based on the DCC 'Q3 2025 Demand Forecast'. Based on initial customer feedback, the chart also shows the volume of 'On-demand' and 'future dated' SRV 4.3s that are required to run in these Modes of Operation, with the remaining volume being migrated to Scheduled Mode of Operation¹.



Impact on consumers

The DCC is currently modelling the commercial impact of this change but is expected to result in cost avoidance of around £50m between delivery in November 2026 and SMETS1 End of Life (2033). The DCC have provided more details in Annex D.

Costs are currently charged through DCC fixed costs and therefore are socialised across Suppliers and Network Parties.

3. Solution

Proposed Solution

The Proposed Solution is to update the DUIS to allow SRV 4.3 'DCC Scheduled' Mode of Operation. This will enable Eligible Users to setup scheduled SRV 4.3s to SMETS1 Devices using SRV 5.1. This

¹ Based on the assumptions: 1) Any SRV 4.3 not sent immediately following an SRV 2.2 (TopUpDevice) is eligible to be moved to Scheduled Mode of Operation 2) Service Users migrate 80% of all eligible SRV 4.3s to Scheduled mode of operation.

will not be mandatory for Users. Users will still be able to send On Demand SRV 4.3s when a consumer tops up.

As the scheduling capability for SRV 4.3 will be applicable for SMETS1 Devices only, the DCC will implement an error code to notify this validation failure if a Supplier attempts to schedule for SMETS2+ Devices.

Assumptions:

1. Service Users will need to update their systems to adapt and schedule SRV 4.3 requests accordingly.
2. As this modification requires a change in User behaviour, DUIS uplift and adapter changes (and the associated costs for doing so), there is an assumed an 80% take up of this change by Users. This estimate will be validated in customer engagement sessions.
3. As this requires a full DUIS uplift, this change will need to be implemented by November 2026 (within the current Data Service Provider known as DSP1) in order to achieve the estimated cost avoidance.

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

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers		Meter Installers
	Device Manufacturers		Flexibility Providers
	DCC Other Users		MAPs/ MAMs

Service Users will need to update their systems to adapt and schedule SRV 4.3 requests accordingly.

DCC Systems

DCC System changes

The full impacts on DCC Systems and DCC's proposed testing approach can be found in the DCC Full Impact Assessment response in Annex B.

DCC System traffic

There will be little change to the level of traffic, but this change will allow the DCC to schedule the traffic more efficiently and reduce the risk of overload.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Appendix AD 'DCC User Interface Specifications' (DUIS)

The changes to the DUIS, and associated documentation, required to deliver the Proposed Solution are provided in the Full Impact Assessment in Annex B.

Technical specification versions

A new version of the DUIS Schema will be needed.

Devices

There will be no impacts to Devices.

Consumers

Any cost avoidance will mean costs not passed through to consumers via bills.

Other industry Codes

There will be no impacts to other industry Codes

Greenhouse gas emissions

There will be no impacts to Greenhouse gas emissions

5. Costs

DCC costs

The DCC costs to implement this modification are £778,793. The breakdown of these costs are as follows:

Breakdown of DCC implementation costs	
Activity	Cost
Design, Build and Pre-Integration Testing (PIT)	£667,257

Breakdown of DCC implementation costs	
Activity	Cost
Systems Integration Testing (SIT) and User Integration Testing (UIT)	£103,554
TTO	£5,354
Implement to Live	TBC (estimated to be £1m)
Application Support	£2,628

More information can be found in the DCC Full Assessment response in Annex B.

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is one days 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

During the Refinement Consultation several Large Supplies noted that it would cost on average £50k to uplift to a new DUIS version. A further Request for Information (RFI) was issued during the DCC Full Impact Assessment to gather more detailed information about costs to Parties, however only one further response was received which did not give cost details. All responses to both the Refinement Consultation and the RFI can be found in Annex E.

6. Implementation approach

Agreed implementation approach

The CSC agreed an implementation date of:

- **4 November 2026** (November 2026 SEC Release) if a decision to approve is received on or before 31 December 2025; or
- An **Ad-hoc SEC Release** if a decision to approve is received after 31 December 2025.

If a decision is not achieved by 31 December or very early in 2026, then the cost avoidance will not be achieved due to the inability to implement change during the transition to DSP2.

7. Assessment of the proposal

Areas for assessment

SEC Party Costs

This change will allow Suppliers to make changes to their systems and uplift to a new version of DUIS which will incur costs. Information gathered during the Refinement Consultation estimates these costs at around £50,000 per Supplier on average.

Sub-Committee input

SECAS has engaged with the Chairs from the Operations Group (OPSG), the Privacy Sub-Committee (PSC), the Testing Advisory Group (TAG), 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 confirmed the following Sub-Committees will be needed to provide the following input to this modification:

Sub-Committee input	
Sub-Committee	Input sought
OPSG	Feedback on the Solution
PSC	No input required
SMKI PMA	No input required
SSC	No input required
TABASC	Feedback on the Solution
TAG	No input required

Observations on the issue

The CSC were concerned about the expedited timetable and questioned why this modification was being pushed through so quickly with a priority rating of 'Very High'. SECAS explained that the change must be implemented in the November 2026 Release to achieve the maximum cost avoidance. This means a decision must be made by the Change Board by the end of the year 2025. Since this is a DCC System change and requires both a Preliminary Assessment and a Full Impact Assessment an expedited timetable was required.

A member suggested that this cost was not included in the DCC Price Control, however the DCC has subsequently confirmed that SMETS1 SMS costs are a variable charge that is included in the charging statements issued to Parties. It further highlighted that it continues to work with its suppliers and industry to mitigate the risks associated with SMS overage charges.

The Working Group was generally supportive of the change. It queried if the SRV 4.14 could be used instead but the DCC noted that SMETS1 Devices are not able to use SRV 4.14, so this was not an option.

Ofgem requested that the Working Group was asked to comment on whether this Modification should be Authority-Determined. One Working Group member highlighted that if a decision is needed by the

end of the year, then this allowed no time for an Authority Determination. Another Working Group member suggested that this is a cost reduction rather than a negative material impact on Parties and therefore it was not necessary to be Authority Determined.

The Working Group noted that an 80% uptake amongst Suppliers was required and believed that this might be a challenge. The DCC committed to having conversations with Suppliers via the account management function to ensure the 80% uptake was realistic. The DCC believe that this can be achieved without mandating the uplift.

The Working Group understood the need for the expedited timetable.

At TABASC one member asked if it was possible to see the costs for individual SMETS1 Service Providers (S1SPs) to establish if all the S1SPs would contribute a positive benefit to the change. The DCC agreed to investigate if this would be possible, however, noted that the majority of cost was with the DSP.

Another TABASC member noted the £0.0250 per SMS was rather high, especially at the volumes being discussed and asked if the DCC could negotiate a better rate. The DCC noted that it was investigating this as a potential option, however, have subsequently confirmed that this is not possible.

The TABASC queried how many Suppliers would adopt this change noting that the DCC has specified an 80% uptake is required. The DCC highlighted that it is discussing the changes with its customers and so far, has had favourable responses. It was also noted that 80% uptake is to achieve the estimated £35m cost avoidance, a lower uptake would still deliver cost avoidance and although this may be less than £35m, it would still be significant. One member noted that this would mean that Suppliers with low volumes of SMETS1 prepayment meters may not need to uplift to the new DUIS version but would still see some cost avoidance through fixed costs. The TABASC members agreed that the scheduling of SRV4.3s could not be mandated as they are also used 'on demand' for PPM Top ups and this cannot be scheduled, therefore scheduling cannot be mandated.

The Operations Group (OPSG) was supportive of the change and had no further comments.

8. Case for change

Business case

Approval of the modification

The DCC are currently estimating £35m of cost avoidance with an 80% uptake by Suppliers up to March 2029 and further cost avoidance through to 2032 (dependant on SMETS1 replacement activity). The DCC Total System changes are estimated to cost around £2m. This change will avoid significant costs across the industry which are currently socialised through fixed costs. However, in order to achieve the avoidance of these costs the change will need to be implemented in the November 2026 SEC Release as this will be the last release of DSP1. If this change is not included in the November 2026 SEC Release the next opportunity to make these changes will likely be in 2029 when DSP2 is live. By this time the opportunity to avoid the majority of these costs will have been missed.

A lower than 80% uptake would still deliver considerable cost savings and all Suppliers and Network Parties would see a cost avoidance through lower DCC fixed costs which should flow through to consumers.

Against approval of the modification

No points against were expressed during the Refinement Consultation other than noting the cost to SEC Parties.

Views against the General SEC Objectives

Proposer's views

The Proposer believes the modification will better facilitate SEC Objective (a)² as the scheduling of SRV 4.3 will be more efficient and will significantly reduce costs.

Industry views

All four Refinement Consultation respondents supported the modification and believed it would better facilitate SEC Objective (a), some believed that it would also better facilitate SEC Objectives (b)³ and (g)⁴.

Views against the consumer areas

Improved safety and reliability

This change will have a neutral impact on this area.

Lower bills than would otherwise be the case

Avoidance of costs which are currently socialised across Suppliers and therefore passed onto consumers will mean that consumers will not have to pay these charges.

Reduced environmental damage

This change will have a neutral impact on this area.

Improved quality of service

This change will have a neutral impact on this area.

² Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain.

³ enable the Data Communications Company to comply at all times with the General Objectives of the Data Communications Company (as defined in the Data Communications Company Licence), and to efficiently discharge the other obligations imposed upon it by the Data Communications Company Licence.

⁴ facilitate the efficient and transparent administration and implementation of this Code.

Benefits for society as a whole

Avoidance of costs which are currently socialised across Suppliers and therefore passed onto consumers will mean that consumers will not have to pay these charges.

Final conclusions

The ability for Suppliers to schedule of SRV 4.3 will be more efficient and will significantly reduce costs. Although there is a cost to implement the changes and also costs to SEC Parties who wish to be able to use this functionality, the cost avoidance across the industry will outweigh the costs and deliver cost avoidance to consumers.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	9 Sep 2025
CSC converts Draft Proposal to Modification Proposal	16 Sep 2025
Business requirements developed with Proposer and DCC	16 Sep – 16 Sep 2025
Preliminary Assessment requested	16 Sep 2025
Preliminary Assessment returned	29 Sep 2025
Modification discussed with Working Group	1 Oct 2025
Modification discussed with TABASC	2 Oct 2025
Refinement Consultation	2 Oct – 14 Oct 2025
Modification discussed with OPSG	14 Oct 2025
Impact Assessment costs approved by Change Board	22 Oct 2025
Impact Assessment requested	22 Oct 2025
RFI (for more detailed costs)	22 Oct – 28 Nov 2025
Impact Assessment returned	8 Dec 2025
Modification discussed with TABASC	9 Dec 2025
Modification Report approved by CSC	16 Dec 2025
Modification Report Consultation	16 Dec 2025 – 22 Dec 2025
<i>Ad hoc Change Board Vote</i>	<i>23 Dec 2025</i>

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
DCC	Data Communications Company
DSP	Data Service Provider
DUIS	DCC User Interface Specification
E&A	Enrolment and Adoption
OPSG	Operations Group
PIA	Preliminary Impact Assessment
RFI	Request for Information
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMETS	Smart Metering Equipment Technical Specifications
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SMS	Short Message Service
SRV	Service Reference Variant
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee