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# MP325 ‘SMCL2 Code Changes’

## Annex A

### Legal text – version 0.1

#### About this document

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This document contains the redlined changes to the SEC that would be required to deliver this Modification Proposal.

## Section A ‘Definitions & Interpretation’

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These changes have been redlined against Section A version 60.0.

### Amend Section A.1 as follows:

|                                            |                                                                                                                                                        |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional User Services                   | means a service requested by a Party pursuant to the Code defined in a Bilateral Agreement other than a Core Communication Service or Enabling Service |
| Additional User Services Request           | has the meaning given to that expression in Condition 9.32 of the DCC Licence                                                                          |
| DCC Licence Transitional Approach Document | Means the SEC Subsidiary Document of that name set out in SEC Appendix BH                                                                              |

## Section C 'Governance'

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These changes have been redlined against Section C version 12.0.

### Amend Section C1 as follows:

#### C1. SEC OBJECTIVES

##### General SEC Objectives

C1.1 The objectives of this Code otherwise than in respect of the Charging Methodology are set out in Condition 22-11 of the DCC Licence ~~(such objectives being the General SEC Objectives)~~. For ease of reference, the General SEC Objectives are set out below using the terminology of this Code (but in the case of any inconsistency with the DCC Licence, the DCC Licence shall prevail):

The General SEC Objectives are that the Smart Energy Code:

(a) facilitates:

- (ai) the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain, the first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain;
- (bii) Energy Consumers' management of their use of Energy through the provision to them of appropriate information by means of Smart Metering Systems, the second General SEC Objective is to enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence;
- (eiii) effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy under the Principal Energy Legislation, the third General SEC Objective is to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems;
- (div) such innovation in the design and operation of Energy Networks as will best contribute to the delivery of a secure and sustainable Supply of Energy under the Principal Energy Legislation, the fourth General SEC Objective is to facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy;
- (ev) the efficient and transparent administration and implementation of the SEC, and the fifth General SEC Objective is to facilitate such innovation in the design and operation of Energy Networks (as defined in the DCC Licence) as will best contribute to the delivery of a secure and sustainable Supply of Energy;

- (~~f~~i) the establishment and operation of the Alt HAN Arrangements, the sixth General SEC Objective is to ensure the protection of Data and the security of Data and Systems in the operation of this Code;
- (~~g~~b) enables the DCC to always comply with the General Duties of the DCC Licence, and to efficiently discharge the other obligations imposed upon it by the DCC Licence, and the seventh General SEC Objective is to facilitate the efficient and transparent administration and implementation of this Code; and
- (~~h~~c) ensures the protection of data and the security of data and systems in the operation of the SEC, the eighth General SEC Objective is to facilitate the establishment and operation of the Alt HAN Arrangements.

## Section H ‘DCC Services’

These changes have been redlined against Section H version 34.0.

### Amend Section H.7 as follows:

#### H7. ~~ELECTIVE COMMUNICATION SERVICES~~ADDITIONAL USER SERVICES

~~Eligible Smart Metering Systems~~

H7.1 ~~Additional User Services are Services Provided by the DCC to a Party. Additional User Services can only be provided to a Party where:~~Additional User Services are Services Provided by the DCC to a Party. Additional User Services can only be provided to a Party where:~~Elective Communication Services can only be provided in respect of Smart Metering Systems that have been Enrolled.~~

- (a) they can be provided without the need to procure a new DCC Service Provider Contract;
- (b) they relate to aspects of the Services existing at the time of the Additional User Service Request; and
- (c) they do not impair the DCC’s ability to meet its duties under the DCC Licence.

#### ~~Entitlement to Elective Communication Services~~Additional User Services Policy Document

H7.2 ~~The DCC must develop and maintain a policy document, ‘The Additional User Services Policy Document’ which sets out the process by which a Party can request an Additional User Service, and any other relevant details relating to the development and provision of Additional User Services. Only a User is entitled to receive Elective Communication Services. A Party that is not a User is not entitled to receive Elective Communication Services.~~

H7.3 ~~The Additional User Services Policy Document shall set out the following: A User shall not be entitled to request or receive (and the DCC shall not provide to such User) any Elective Communication Services that would constitute a Restricted Communication Service.~~

- (a) requirements relating to which Party is or is not entitled to Additional User Services;
- (b) the process by which a Party can request an Additional User Service;
- (c) requirements relating to the preliminary assessment of Additional User Services Requests submitted to the DCC;
- (d) the detailed evaluation of Additional User Services Requests by the DCC;
- (e) how Additional User Services will be offered to a Party by the DCC;
- (f) the calculation of charges associated with the evaluation of the Additional User Services Requests and the provision of Additional User Services;
- (g) the means by which a Party may enter into a Bilateral Agreement with the DCC for the provision of Additional User Services;
- (h) the means by which disputes relating to the offering and provision of Additional User Services will be managed under this Code; and

- (i) any other content that the DCC considers necessary to ensure the effective and efficient provision of Additional Business Services by the DCC in accordance with the DCC Licence.

#### ~~Preliminary Assessment of Elective Communication Services~~

- H7.4 The DCC shall submit the Additional User Services Policy Document to the Panel for approval prior to its initial publication.~~Notwithstanding Section H7.1 and H7.2, any Party may request an initial evaluation of the technical feasibility and likely Charges for a proposed Elective Communication Service (a "Preliminary Assessment").~~
- H7.5 The DCC shall keep the Additional User Services Policy Document under review and shall propose amendments where it considers that amendments are necessary or appropriate to ensure that the document remains fit for purpose.~~Requests for a Preliminary Assessment shall be made in such format as the DCC may specify from time to time, and shall be submitted to the DCC.~~
- H7.6 Before submitting any proposed amendment to the Panel for approval, the DCC shall consult with the Panel, relevant Sub-Committees, Parties and such other persons as the DCC considers appropriate.~~The DCC shall respond to requests for a Preliminary Assessment in accordance with the time period prescribed by Condition 17 of the DCC Licence, and shall either (in accordance with Condition 17 of the DCC Licence):~~
- ~~(a) — provide an initial evaluation of the technical feasibility and the likely Charges for a proposed Elective Communication Service; or~~
  - ~~(b) — give notice that a further and more detailed evaluation of the request is required.~~

#### ~~Detailed Evaluation of Elective Communication Services~~

- H7.7 The DCC shall report to the Panel on the outcome of each consultation undertaken pursuant to H7.6, including a summary of any representations received and any material issues arising.~~Any Party that has requested a Preliminary Assessment and obtained a response as described in Section H7.6(b) may request a more detailed evaluation of the technical feasibility and likely Charges for a proposed Elective Communication Service (a "Detailed Evaluation").~~
- H7.8 The Panel shall review and determine whether to approve the Additional User Services Policy Document and any subsequent amendments to it.~~Requests for a Detailed Evaluation shall be made in such format as the DCC may specify from time to time, and shall be submitted to the DCC. Following receipt of any such request (or purported request), the DCC shall:~~
- ~~(a) — where the request is incomplete or the DCC reasonably requires further information in order to assess the request, notify the Party that this is the case and provide reasonable assistance to the Party in re-submitting its request;~~
  - ~~(b) — once the DCC has received all the information it reasonably requires in order to assess the request, confirm the applicable Charges payable in respect of the Detailed Evaluation; and~~
  - ~~(c) — once the Party has agreed to pay the applicable Charges, provide the Detailed Evaluation to the requesting Party (in accordance with the time period prescribed by Condition 17 of the DCC Licence).~~

#### ~~Request for an Offer for an Elective Communication Service~~

- H7.9 The DCC shall publish the Additional User Services Policy Document, and any approved amendments, via the DCC Website as soon as reasonably practicable following Panel

~~approval. Any Party that has requested a Preliminary Assessment in respect of a proposed Elective Communication Service, and obtained a response as described in Section H7.6(a), may request a formal offer for that proposed Elective Communication Service.~~

~~H7.10 The DCC and each Party to whom the Additional User Services Policy Document applies shall comply with the Additional User Services Policy Document. Any Party that has requested and obtained a Detailed Evaluation in respect of a proposed Elective Communication Service may request a formal offer for that proposed Elective Communication Service.~~

~~H7.11 Following a request pursuant to Section H7.9 or H7.10, the DCC shall (in accordance with the time period prescribed by Condition 17 of the DCC Licence):~~

- ~~(a) make an offer to provide the Elective Communication Service in question; or~~
- ~~(b) notify the Party that the DCC is not willing to make such an offer (provided that the DCC may only do so where the DCC is not obliged to make such an offer in accordance with Condition 17 of the DCC Licence).~~

#### ~~Formal Offer~~

~~H7.12 An offer to provide the Elective Communication Service made by the DCC pursuant to this Section H7 shall:~~

- ~~(a) include details of the Charges that would apply to the Elective Communication Service, as determined in accordance with the Charging Methodology;~~
- ~~(b) where the proposed Charges have been calculated (in accordance with the Charging Methodology) on the assumption that one or more other Parties accept offers made pursuant to this Section H7, provide for two alternative sets of Charges, one of which is contingent on acceptance of all the other such offers and one of which is not; and~~
- ~~(c) include an offer by the DCC to enter into a Bilateral Agreement with the Party requesting the Elective Communication Service.~~

~~H7.13 Each Bilateral Agreement must:~~

- ~~(a) be based on the Specimen Bilateral Agreement, subject only to such variations from such specimen form as are reasonable in the circumstances;~~
- ~~(b) not contradict or seek to override any or all of this Section H or Sections G (Security), I (Data Privacy), J (Charges), L (Smart Metering Key Infrastructure) or M (General);~~
- ~~(c) where reasonably necessary in accordance with the Charging Methodology, provide for Charges that include or comprise a standing charge that is payable by the recipient of the Elective Communication Service regardless of whether or not the Elective Communication Service is requested or provided;~~
- ~~(d) where reasonably necessary in accordance with the Charging Methodology, require the recipient of the Elective Communication Service to pay compensation to DCC in the event of the early termination of the Bilateral Agreement (except in the case of termination as envisaged by Section H7.13(e));~~
- ~~(e) allow the recipient of the Elective Communication Services to terminate the Bilateral Agreement without paying compensation to the extent that such compensation is intended to recover investments made for the purposes of providing the Elective Communication Service where (and to the extent that) the DCC subsequently offers a~~

~~Service listed in the DCC User Interface Services Schedule that relies upon such investments (and each Bilateral Agreement must provide for disputes regarding this provision to be subject to an initial Panel determination, but to ultimately be determined by arbitration); and~~

- ~~(f) — where reasonably necessary, require the recipient of the Elective Communication Services to provide credit support in respect of its obligation to pay the compensation referred to in Section H7.13(d).~~

~~H7.14 — The parties to each Bilateral Agreement shall ensure that the Bilateral Agreement describes the Elective Communication Services in a manner consistent with the description of the Core Communication Services in this Code, including so as to identify (to the extent appropriate) equivalents of the following concepts: Service Requests; Non-Device Service Requests; Pre-Commands; Signed Pre-Commands; Commands; Services Responses; Alerts; and Target Response Times. To the extent that an Elective Communication Service comprises equivalents of such concepts, references to such concepts in this Code shall be construed as including the equivalent concepts under each Bilateral Agreement (and the DCC and the relevant User under the Bilateral Agreement shall comply with Sections H3 (DCC User Interface) and H4 (Processing Service Requests) in respect of the same). For the purposes of each Elective Communication Service (unless the Panel otherwise determined on a User's application):~~

- ~~(a) — the applicable Service Request shall be deemed to be a Critical Service Request, unless it results only in the sending of a Command to a Device that would arise were a Non-Critical Service Request listed in the DCC User Interface Service Schedule to be requested; and~~
- ~~(b) — other than in the case of SMETS1 Service Requests, the applicable Service Request (and any associated Pre-Command) shall be deemed to contain Data that requires Encryption, unless it contains only Data described in the GB Companion Specification as capable of being sent without Encryption.~~

~~H7.15 — Elective Communication Services shall be provided in accordance with this Code and the applicable Bilateral Agreement. In the event of any inconsistency between this Code and a Bilateral Agreement, the provisions of this Code shall prevail.~~

~~H7.16 — The DCC shall not agree to any variations to a Bilateral Agreement that would cause that agreement to become inconsistent with the requirements of this Section H7.~~

#### ~~Disputes Regarding Offers for Elective Communication Services~~

~~H7.17 — Where the requirements of Condition 20 of the DCC Licence are met, a Party that has requested an offer for a proposed Elective Communication Service may refer a dispute regarding such request to the Authority for determination under and in accordance with that Condition.~~

#### ~~Publication of Details of Elective Communication Services~~

~~H7.18 — Once the DCC has commenced provision of an Elective Communication Service pursuant to a Bilateral Agreement, the DCC shall notify the Code Administrator of the date on which the provision of such service commenced (but shall not provide any details regarding such agreement to the Code Administrator).~~



~~H7.19 The DCC shall, on or around the date falling six months after it commenced provision of an Elective Communication Service pursuant to a Bilateral Agreement, provide to the Code Administrator the following details:~~

- ~~(a) a brief description of the Elective Communication Service;~~
- ~~(b) the frequency with which, and (where stated) the period during which, the Elective Communication Service is to be provided; and~~
- ~~(c) the Target Response Time within which the Elective Communication Service is to be provided.~~

~~H7.20 The Code Administrator shall arrange for the publication on the Website of the details provided to it pursuant to Section H7.19. The Code Administrator shall monitor and report to the Panel on whether the DCC has provided details pursuant to Section H7.18 in respect of Elective Communication Services of which the Code Administrator is notified under Section H7.18.~~

~~H7.21 Without prejudice to the DCC's obligations under Section H7.19, the existence and contents of each Bilateral Agreement shall constitute Confidential Information which the DCC is obliged to keep confidential in accordance with Section M4 (Confidentiality).~~

## Section M 'General'

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These changes have been redlined against Section M version 13.0.

### Add Section M9.9 as follows:

#### **DCC Licence Transitional Approach Document**

M9.9 Each Party shall comply with the applicable obligations set out in Appendix BH (the DCC Licence Transitional Approach Document)

## Appendix BH 'DCC Licence Transitional Approach Document'

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These changes have will introduced Appendix BH version 1.0 to the SEC.

**Add Section 1, 2, 3 & 4 as follows:**

### **Appendix BH**

#### **DCC Licence Transitional Approach Document**

##### **1 Introduction**

- 1.1 This Appendix is the DCC Licence Transitional Approach Document.
- 1.2 This document sets out variations to this Code required for the purposes of the transfer of the DCC's interest in this Code to the Successor Licensee, as set out in Section M9 of the Code (Transfer of DCC Licence).

##### **2 Defined Terms and Interpretations**

DCC1 means Smart DCC Ltd in its capacity as the holder of the DCC Licence before the First Transfer Date.

DCC2 means DCC2 Ltd in its capacity as the holder of the DCC Licence from the First Transfer Date.

First Transfer Date has the meaning given to that expression in the DCC Licence.

##### **3 Payment of DCC Charges during Transition**

- 3.1 Where a Party incurs Charges relating to the Charging Statement of DCC1, and receives an Invoice from DCC2 covering the Charging Period to which that Invoice relates, the Party shall pay the amount set out in an Invoice issued to it by DCC2 in accordance with the requirements in Section J1.5 to J1.7 (Payment of Charges) of the Code.
- 3.2 The allocation, transfer, settlement, reconciliation or other treatment of any amount received by DCC1 in relation clause 3.1 (including, for the avoidance of doubt, a scenario where a Party pays DCC1 instead of DCC2 in error) shall be a matter between DCC1 and DCC2, governed by Section M9 and the DCC Business Handover Plan. No Party may be required to provide input into the arrangements governed by Section M9 and the DCC Business Handover Plan.

##### **4 Matters arising after the First Transfer Date**

- 4.1 Any invoice, payment, dispute, claim, notice, reconciliation, adjustment, obligation, liability or other issue impacting a Party (including, for the avoidance of doubt, the provision of Credit

Cover in accordance with Section J3 of the code), arising under or in connection with the Code on or after the First Transfer Date, shall be administered by DCC2 in its capacity as the DCC.

- 4.2 Any invoice, payment, dispute, claim, notice, reconciliation, adjustment, obligation, liability or other issue impacting a Party (including, for the avoidance of doubt, the provision of Credit Cover in accordance with Section J3 of the code) that arises before the first Transfer Date impacting a Party, shall be administered by DCC2 in its capacity as the DCC from the First Transfer Date.
- 4.3 Any matter that arises in terms of Clause 4.1 and 4.2 shall be a matter between DCC1 and DCC2, governed by Section M9 and the DCC Business Handover Plan. No Party shall be required to provide input into the arrangements governed by Section M9 and the DCC Business Handover Plan.