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MP271

‘Sub-Committee seats for Other Users, Meter Data Retrievers and Registered Supplier Agents’

Modification Report

Version 0.4

27 November 2024



About this document

This document is a draft Modification Report. It currently sets out the background, issue, solution, impacts, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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This paper 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 responses to the Refinement Consultation.

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1. Summary

This proposal has been raised by James Murphy of Stark.

As of November 2024, there are 159 Smart Energy Code (SEC) Parties in the Other SEC Party (OSP) category. This makes it the largest SEC Party category, with 50% of all SEC Parties being classified as an OSP. Within the OSP category there are many different types of organisations, such as Meter Asset Providers (MAPs), Manufacturers, Other Users and academic groups. The Proposer believes that due to the size and differing nature of organisations within the OSP category it is very difficult for OSP representatives to act on behalf of the entire constituency.

The impact of the current arrangements is that OSPs, specifically those who are Other Users, Meter Data Retrievers (MDR) and Registered Supplier Agents (RSA), may not receive appropriate representation on SEC Sub-Committees. The Proposer believes that this may result in technical solutions not receiving the correct input and consequently lead to increased costs for Parties.

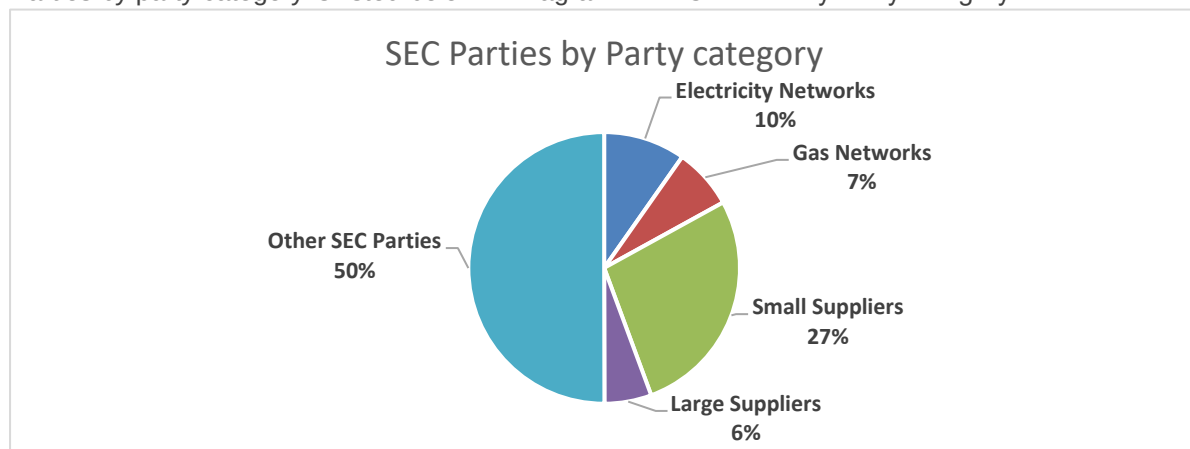
The Proposed Solution is to add an Other SEC Party seat to the Technical Architecture and Business Architecture Sub-Committee (TABASC) membership to be filled by an elected Other User, MDR or RSA. This will increase the number of OSP seats at the TABASC from two to three. The Proposed Solution also seeks to re-allocate an existing OSP seat at the Change Board to an elected Party who acts in the role of Other User, MDR or RSA.

Smart Energy Code Administrator and Secretariat (SECAS) is targeting this modification for inclusion in the June 2025 SEC Release and will proceed as an Authority-Determined modification.

2. Issue

What are the current arrangements?

As of November 2024, there are 318 SEC Parties which are grouped into five different Party categories. When a Party accedes to the SEC they are categorised as either an Electricity Network, Gas Network, Small Supplier, Large Supplier or OSP. The current percentage breakdown of SEC Parties by party category is listed below in Diagram 1 'SEC Parties by Party category'.



The OSP category is the largest of the five constituencies, representing 159 Parties and 50% of the total of all SEC Parties. Unlike the other constituencies which represent one type of organisation, the

OSP category encapsulates many different types of organisations such as Meter Manufacturers, MAPs, Consumer Data Services, Other Users and academic groups amongst others.

To represent the OSP constituency, Parties elect representatives at various SEC Sub-Committees. The current OSP representatives at the TABASC and Change Board are listed in the table (Diagram 2) below, along with the type of organisation they work on behalf of.

Other SEC Party representatives at SEC Sub-Committees			
Sub-Committee	Representative	Organisation	Type of organisation
TABASC	Ian Lovatt	Chameleon Technology (UK) Limited	Manufacturer
	Matthew Hallchurch	Elster Metering Limited	Manufacturer
Change Board	Nick Winfield	Landis & Gyr Limited	Manufacturer
	Ian Lovatt	Chameleon Technology (UK) Limited	Manufacturer
	Patrick Caiger-Smith	Green Energy Options Limited	Manufacturer

What is the issue?

The Proposer believes that due to the scale and nature of the Other SEC Party category, it is not possible for OSP representatives at SEC Sub-Committees to adequately represent the entire category. This is because the high number of Parties in the category, but also because of the different types of organisations within the OSP category. Due to the differing nature of these organisations, they have conflicting priorities, issues and concerns which makes it difficult for OSP representatives to act on behalf of all OSPs.

In particular, the Proposer notes there is a clear delineation between OSPs who are Data Communications Company (DCC) Users (specifically Other Users, MDRs and RSAs) and those who are not. At the TABASC and Change Board the Proposer notes that all representatives work for Parties who can be classed as Manufacturers.

What is the impact this is having?

The Proposer believes that a lack of representation for Other Users, MDRs and RSAs could mean that their views are not fully represented at forums. In turn, this could lead to increased costs for Parties due to a lack of insight and engagement from the Other SEC Parties who are DCC Users.

The Proposer also notes that in the coming years, usage of the DCC System is set to increase for Other Users, MDRs and RSAs. As such, the Proposer believes it is appropriate that these groups afforded specific representation at the TABASC and Change Board.

Impact on consumers

There is no direct impact on consumers arising from this modification.

3. Solution

Proposed Solution

The Proposed Solution is to add an Other SEC Party seat to the TABASC membership to be filled by an elected Other User, MDR or RSA. This will increase the number of OSP seats at the TABASC from two to three.

The Proposed Solution also seeks to re-allocate an existing OSP seat at the Change Board to an elected Party who acts in the role of Other User, MDR or RSA. This would not change the existing voting make-up of the Change Board, as the newly elected Other User, MDR or RSA would still sit under the OSP voting group.

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
✓	Meter Data Retrievers	✓	Registered Supplier Agents

If the Proposed Solution is implemented, then OSPs will be impacted as their representatives will change.

DCC Systems

DCC System changes

There are no impacts on the DCC System or System traffic because of this modification.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section A 'Definitions and Interpretations'

- Section D 'Modification Process'
- Section F 'Smart Metering System Requirements'

5. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **26 June 2025** (June 2025 SEC Release) if a decision to approve is received on or before 12 June 2025; or
- **27 November 2025** (November 2025 SEC Release) if a decision to approve is received after 13 June 2025 but on or before 13 November 2025.

As this modification requires text-only changes to the SEC it can be implemented in the next possible SEC Release following the Authority's decision. With the current modification timeline, the next possible release this modification could be included in is the June 2025 SEC Release.

6. Assessment of the proposal

Observations on the issue

Change Sub-Committee

SECAS presented this modification to the Change Sub-Committee (CSC) in August 2024 to determine whether this modification should enter the Refinement Process. Noting the Proposer's comment that specific representation for Other Users, MDR and RSA could reduce costs in future, one CSC member questioned where these savings would come from as OSPs do not pay DCC charges. SECAS notes that the Proposer believes that by having representation, OSPs who are DCC Users will be able to provide input into solutions, ensuring they are fully developed and no unforeseen issues will be encountered in future which could cause costs for Parties which pay DCC charges.

Change Board

As this modification seeks to alter the membership of the Change Board, SECAS presented MP271 to gather feedback to feed into this report. The discussion which took place at the Change Board meeting is outlined below.

An OSP Change Board member who is an OSP representative at TABASC noted about existing OSP representatives at TABASC and Change Board. They added that the table (Diagram 2) shows all existing OSP representatives to be Manufacturers. They noted that the representatives had varying experiences and classifying them all as Manufacturers may not accurately reflect their expertise.

A Large Supplier Change Board member noted that the User Roles of Other User, MDR and RSA are DCC User Roles and not SEC Party Roles. They advised that when the Legal Text is drafted it should consider this to ensure that any potential changes to Party categorisation are identified.

Other Change Board members questioned why the Proposer did not wait until seats become available to enable them to nominate themselves. SECAS noted that the Proposer had applied to some seats but had been unsuccessful and the purpose of the modification was to increase engagement within the OSP category.

A Large Supplier Change Board member noted the Proposer's argument that existing OSP representatives cannot adequately represent the entire Party Category. The member asked Change Board OSP representatives whether they agreed with the Proposer. One of the OSP Change Board representatives commented that there had been no elections for the OSP seats at Change Board since 2021 which suggested there was no issue with representation.

TABASC

SECAS presented this modification to the TABASC in October 2024. At the time, the Proposed Solution was to re-allocate an existing seat at the TABASC to an elected Party acting in the User Role of Other User, Meter Data Retriever or Registered Supplier Agent. Following feedback from the TABASC, the Proposed Solution was altered to increase the number of OSP seats by one.

A Large Supplier TABASC member noted that re-allocating an existing OSP seat would leave an overreliance on one Party to represent the entire constituency. As such, they suggested adding a new seat to increase input at TABASC. An OSP representative at the TABASC agreed with this suggestion, noting that at the Security Sub-Committee (SSC) there is a specific seat for MDR or Other Users and that this could be applied to the TABASC.

The TABASC Chair and several members noted that re-allocating an existing seat was not preferable. They added that increasing engagement would be positive for the TABASC. The TABASC Chair noted that the Gas Network Party seat was frequently vacant at TABASC and that a clause could be added to the SEC to allow an Other User, MDR or RSA to fill the seat. They added that this would be left to SECAS and the Proposer about how to produce the Legal Text. SECAS has produced the Legal Text which seeks to add a third OSP seat to the TABASC, to be filled by an elected Other User, MDR or RSA.

Discussion points

How many applications have there been for OSP seats at the TABASC?

Elections for OSP seats at the TABASC have taken place in three of the past five years (2019-2024) due to the number of nominations exceeding the number of seats. The table below notes the number of applications for the one OSP seat which has come up for election:

Table title		
Year of election	Number of seats available	Number of nominations
2019	1	1
2020	1	4
2021	1	2
2022	1	2
2023	2	2

How many applications have there been for OSP seats at the Change Board?

In the previous five years (2019-2024), only one election (2021/2022) has taken place for OSP seats at the Change Board. In the other years, SECAS received applications from three Parties to be elected to the Change Board. As there were only three applications for the three seats available, no elections took place and applicants were appointed to the Change Board.

Increasing engagement within the OSP category

During the September Working Group meeting, several members noted that the issue identified in this modification relates to a lack of engagement from OSPs. They added that this modification will change the existing seating arrangements at Change Board and TABASC, however will not resolve the issue of lack of engagement from OSPs. SECAS is working on how to improve engagement within the OSP category.

A Working Group member who is an OSP representative at the CSC noted that they are rarely approached by Parties to provide views on modifications. They added that OSP representatives could do more to engage with the OSPs to identify their views. Another Working Group member who is an OSP agreed that OSPs representatives could do more to engage with the constituency, noting that without first engaging the constituency the representative could not truly accurately represent the entire OSP category. Another Working Group member noted that it is difficult for some OSP representatives to discuss issues with the wider category due to the classification of papers and items at Sub-Committee meetings.

Another Working Group member noted that only eight of the 159 OSPs were present at the September Working Group meeting. They added that if the issue of representation was as prevalent as the Proposer believes then more OSPs would have attended the meeting.

Decision not to pursue an Alternative Solution

Before this modification was formally raised, the Proposer devised two potential solutions for discussion with the Issues Group. The first solution was to re-allocate existing OSP seats at the TABASC and Change Board. The Alternative Solution was to create a new Party category and add an additional new seat at TABASC and Change Board for the elected Party in this role.

SECAS presented both Solutions to the June 2024 meeting of the Issues Group, where Large Supplier members commented that the creation of a new Party category would lead to changes in the voting make-up of the Change Board. They added that this would lead to Other SEC Parties, who do not contribute to DCC charges, having more voting power than Large Suppliers who pay the majority of DCC charges. Issues Group members also considered the impact of [DP218 'Review of the SEC Charging Methodology'](#) in the re-allocation or creation of new seats.

Following comments from the Issues Group, the Proposer removed the Alternative Solution from the scope of this modification.

Previous modifications relating to seating changes

One previous modification has been raised relating to seating changes and Other Users. [MP084 'Other User Panel Seating Amendment'](#) sought to split the two OSP seats at SEC Panel so that one of the representatives was an Other User, with the other seat being occupied by any Party in the OSP category. This modification was rejected by the Change Board and the Authority in early 2020. Both the Change Board and Authority considered the modification did not have a suitable business case nor better facilitated the SEC objectives.

When do reviews on the composition of Sub-Committees take place?

Reviews of the composition of SEC Sub-Committees take place on a case-by-case basis. The last full review of the Sub-Committee's took place in 2022 which accounted for percentage of market share, DCC usage and share of costs. SECAS expects to complete another review of the Sub-Committees if [DP218 'Review of the SEC Charging Methodology'](#) progresses through the modification process.

Is a modification required to change the balance of Sub-Committees?

Some Sub-Committees have their composition written into the SEC, whereas others have their composition written into their Terms of Reference. For the proposed changes in this modification, changes are needed to SEC Section D 'Modification Process' relating to the Change Sub-Committee, with changes to SEC Section F 'Smart Metering System Requirements' for the TABASC.

Are there are examples of a lack of representation for OSPs who are DCC Users?

The Proposer believes that specific representation would have been useful for Other Users, Meter Data Retrievers and Registered Supplier Agents when the Change Board voted on [MP162 'SEC changes required to deliver MHHS'](#). The Proposer notes that at the Change Board vote, OSP representatives voted to reject the modification (one voted to approve, one voted to reject and one abstained). The Proposer notes that this vote was understandable as the modification did not impact the majority of the Other SEC Party constituency, however for OSPs who are DCC User's or intend to be, the outcome of the vote was very important. The Proposer believes that specific representation for Other Users, Meter Data Retrievers and Registered Supplier Agents in this instance could have led to a different vote.

If changes are made to Sub-Committee composition, will the newly re-allocated seats be filled?

Several Parties have questioned the impact of an Other SEC Party seat being re-allocated but then not being filled. Several Parties at the Other SEC Party Engagement Call, facilitated by SECAS, noted that if the seat remains unfilled then this would reduce the representation for Other SEC Parties.

SECAS has added a clause into the Legal Text so that if Parties acting in the role of Other User, Meter Data Retriever or Registered Supplier Agent do not apply for the re-allocated seat, any Party from the Other SEC Party category will be able to apply.

Can Parties who are acting in more than one User Role apply?

At the June Issues Group, one member questioned whether a Party who acts in the role of Import Supplier and Other User would be able to apply to represent Other Users, Meter Data Retrievers and Registered Supplier Agents. SECAS has confirmed that any party acting in the role of Other User, Meter Data Retriever or Registered Supplier Agent can apply to represent the group.

Differing responsibilities of the TABASC and Change Board

During the discussion of this modification with the Change Board and TABASC, members noted that the functions and responsibilities of the two Sub-Committees within the scope of the modification are different. Members noted that at the TABASC, representatives provide industry knowledge and experience, whereas at Change Board OSP representatives are acting on behalf of the entire constituency.

Legal Text changes to the membership of the TABASC

The Proposed Solution seeks to add an additional seat at the TABASC for the OSP category to be filled by an Other User, MDR or RSA. This will increase the number of OSP representatives at the TABASC from two to three. SECAS has reviewed the current wording for the membership of the TABASC and believes it should be amended to better align with other Sub-Committees, such as the Change Board and Security Sub-Committee, whose memberships are detailed in the SEC.

Support for part of the Proposed Solution

Parties have noted that the Proposed Solution includes changes to two Sub-Committees and commented that some Parties may wish to support the change to one Sub-Committee but not the other. As such, SECAS has included a question in the Refinement Consultation to allow Parties to provide feedback about whether they support the Proposed Solution, some of the Proposed Solution or do not support the Proposed Solution.

When are the next elections for OSP seats at TABASC and Change Board?

In December 2024 SECAS will ask Parties for nominations to fill the three OSP seats at the Change Board. In October 2025 SECAS will ask Parties for nominations to fill the two OSP seats at TABASC. Parties will have 15 working days to nominate themselves for the seats. Elections will only take place if the number of nominations exceeds the number of available seats.

Terms of Reference changes

Outside the scope of this modification, the Proposer has also proposed changes to the Terms of Reference of the CSC and Operations Group (OPSG). These changes would see one existing OSP seat re-allocated to an elected Party acting in the User Role of Other User, MDR or RSA. These changes are outside the scope of this modification and have no impact on the Proposed Solution.

In September 2024 the CSC deferred the decision on the proposed Terms of Reference changes until after the Refinement Consultation.

In September 2024 the OPSG rejected the proposed changes. OPSG members and the Chair noted that if specific representation was given to Other Users, MDRs and RSAs then other different types of organisation within the OSP category (Manufacturers, MAPs etc) would also want specific representation. As such, OPSG members did not support the proposed Terms of Reference changes.

Why is this an Authority-Determined modification?

This modification proposes changes to the composition of the Change Board. Any changes to SEC Section D 'Modification Process' require the approval of the Authority following the vote at Change Board.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	13 Aug 2024
Presented to CSC for initial comment	20 Aug 2024
CSC converts Draft Proposal to Modification Proposal	20 Aug 2024
Modification discussed with Working Group	4 Sep 2024
Modification discussed with Change Board	25 Sep 2024
Modification discussed with TABASC	3 Oct 2024
Refinement Consultation	1 Nov 2024 – 22 Nov 2024
Modification discussed with Working Group	4 Dec 2024
<i>Modification Report approved by CSC</i>	<i>17 Dec 2024</i>
<i>Modification Report Consultation</i>	<i>18 Dec 2024 – 15 Jan 2025</i>
<i>Change Board Vote</i>	<i>22 Jan 2025</i>
<i>Estimated Authority Decision</i>	<i>17 March 2025</i>
<i>Targeted Implementation</i>	<i>26 June 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
CSC	Change Sub-Committee
DCC	Data Communications Company
MAP	Meter Asset Provider
MDR	Meter Data Retriever
OPSG	Operations Group

Glossary	
Acronym	Full term
OSP	Other SEC Party
RSA	Registered Supplier Agent
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee