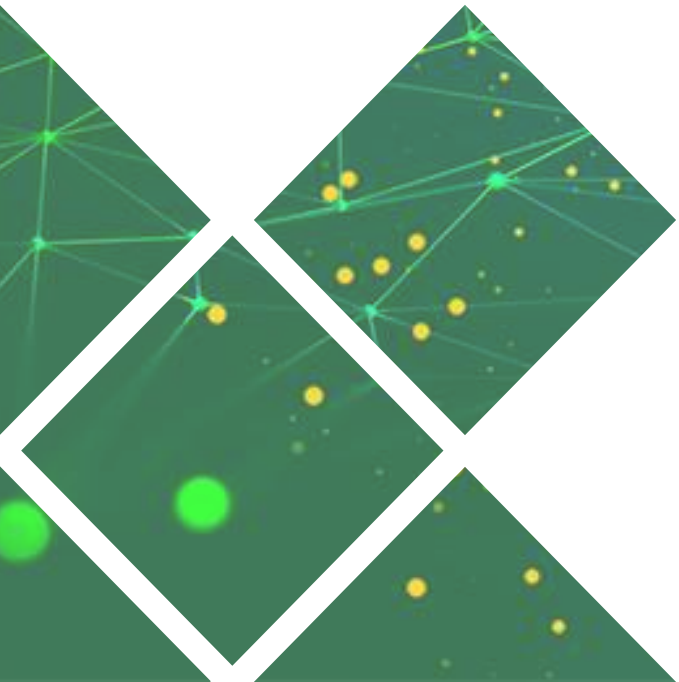


SEC Change Monthly Working Group Meeting

July 2024



Competition Act Compliance

It is everyone's responsibility to say something

The Chair will move the conversation on



Housekeeping

- Please raise your hand
- Please be clear, explain acronyms
- This session will be recorded for minuting purposes, please be courteous!
- Just a reminder that we should be able to have free discussions of ideas



■ Introductions

- When I say your name please:
 - Say hello so we can check your audio is working
 - Which company you are from
 - If you are a Supplier/Network Party/other



■ MP263: 'Improving transparency of DCC indicative costs'

Raised by Rochelle Harrison from British Gas

Georgie Severin

LOW

Objectives of the Working Group

NOTE

The Refinement Consultation responses

AGREE

The next steps

Current arrangements

- Each Party is required to pay the Charges to the DCC, which are determined in accordance with the Charging Statement created by the DCC.
- Charging Statements are required to provide enough information to allow SEC Parties to estimate the Service Charges they would need to pay.
- Initial requirements for indicative Charging Statements and indicative budgets set out in Section J 'Charges' have not changed since first drafted at the outset of the SMIP.

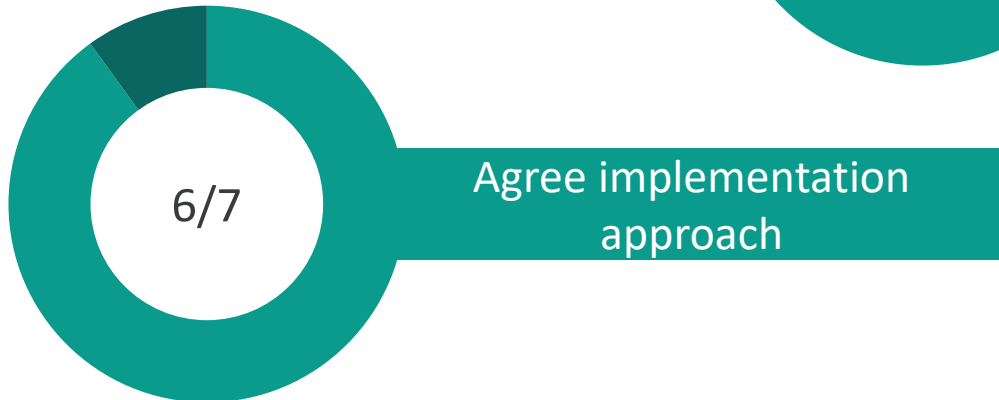
Issue

- Current information provided does not go far enough in helping SEC Parties understand the costs underlying the DCC's Charging Statement and budgets.
- Detrimentally impacting Parties as time and effort is required to obtain the additional information to effectively estimate their Service Charges.
- No visibility of additional projects and programmes prevents Parties from being able to scrutinise the costs.

Introduction of new information to include in DCC indicative statements

- Assumptions made around inflation
- Volumes of Communication Hubs
 - Installed to date
 - Expected to install across industry for each Regulatory Year
- Explanation of changes in charges from previous indicative statements
- Reference Large Projects in line with PAP/Panel
- Acknowledgement of errors and republication of updated Charging Statement within five working days

Refinement Consultation key points



Consumer impact

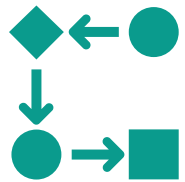
“There could be an opportunity that Industry has better visibility to challenge the indicative costs which could have a benefit to consumers by a reduction in costs across the industry.”



“It will remove the unnecessary time spent/resource seeking granular detail on their business rationale which is currently absent from their notices, charging statements and budget publications.”



Refinement Consultation key points



Solution

- Solution is highly anticipated by respondents
- No detrimental impact on DCC Users because of this modification



- Changes proposed by the DCC to be reviewed and agreed before next steps

(b)

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

(g)

Facilitate the efficient and transparent administration and implementation of this Code

“There are no major costs associated with this modification, only benefits for SEC Parties.”



Refinement Consultation key points

Respondent comment

One respondent included a further amendment to be added to the legal text: J4.2:

.....the DCC shall ~~give notice~~ issue a Service Charge notice to the Authority to any proposed change to Parties pursuant to Condition 19.9 of the DCC licence. This notice will include a summary of the charging statement changes and split by Party category and resultant changes to the fixed charge for each Party category.

J4.9 Where any costs or Charges have changed from any previous notice, charging statement or budget published on the DCC Website pursuant to Section J4.2 and J4.4, the DCC shall:

...(b) where there are no discrepancies in costs of Charges, the DCC shall specify that there are no changes between the current and previous notices, charging statements and budgets.

J4.10 where an error is identified in a notice, charging statement and budget.



SECAS response

We would welcome the input of Working Group members with regards to this addition.

■ Refinement Consultation key points

Respondent comment

This modification should be complementary to any SECP218 review findings. Has the linkage been made by SECAS?

SECAS response

This modification may provide beneficial support, however DP218 is not directly linked. The information required of the DCC will provide greater transparency, which may help with the current DP218 findings.

It would be good to confirm when that would translate into seeing updated charging statements and budgets from DCC. We would be very keen to see it in place for January 2025 reporting – this may need it to be an October 2024 ad hoc release rather than waiting for the November 2024 scheduled release.

The DCC has taken steps to update the April 2024 QFF with the information detailed in the modification's Business Requirements. Therefore, including the modification in the November 2024 SEC Release should not hinder the DCC's ability to provide this information in January 2025 reporting.



DCC legal text proposed changes

MP263 proposed wording

J4.6 In addition to the values in Section J4.5, each budget published pursuant to Section J4.4 will contain indicative values for the following:

- (a) Assumptions made by the DCC as to the impact of the Consumer Price Index (CPI) including owner/occupier housing costs (CPI-H) and Retail Price Index (RPI);
- (b) The number of Communications Hubs installed for such Regulatory Year based on the information available to the DCC at the start of the month of publication;
- (c) The number of Communications Hubs expected to be installed for such Regulatory Year and for the second and third Regulatory Years due to start thereafter.

DCC Response

Commercial confidentiality restrictions prevent the DCC from sharing specific inflation rates at a programme level.

The DCC is only able to share the inflation rates applied generally.

DCC proposed changes

(a) DCC to provide the inflation rates included within the indicative charging statement across the Consumer Price Index (CPI) including owner/occupier housing costs (CPI-H) and Retail Price Index (RPI);

DCC legal text proposed changes

MP263 proposed wording

J4.7 The DCC shall include in any budget published pursuant to Section J4.4, large projects or programmes:

- *(a) as defined in Programme Assurance Policy;*
- *(b) included in DCC License Condition 16.6; and*
- *(c) any such programme or project determined by the Panel.*

DCC Response

- Feedback in March 2024 from Ofgem encouraging further breakdown of forecast costs, alongside similar requests from QFF attendees during DCC review of the QFF ToR.
- DCC included new QFF reporting overing financials of Programmes under License Condition 16.6a-c.
- By sharing at QFF under an NDA, DCC can potentially share information that may not be publishable in Charging Statements.
- J4.7(c) requires further clarification, or examples of Panel-determined programmes or projects.
- QFF materials are published several weeks after Indicative Charging Statements. Area of improvement for DCC to consider is publishing QFF materials at the same time.

DCC proposed changes

DCC proposes that these new requirements are **removed** from the legal text with the **QFF ToR expanded to include the reporting** as agreed under the Programme Assurance Policy.

DCC legal text proposed changes

MP263 proposed wording

J4.8 The DCC shall include, for programmes and large projects pursuant to Section J4.8 details of the following expenditure:

- (a) expenditure that has been incurred by the DCC prior to the start of such Regulatory Year;
- (b) expenditure that has been incurred by the DCC for such Regulatory Year, based on the information available to the DCC at the start of the month of publication;
- (c) anticipated expenditure that will be incurred by the DCC for the remainder of such Regulatory Year based on the information available to the DCC at the start of the month of publication; and
- (d) anticipated expenditure for the second and third Regulatory Years due to start thereafter.

DCC Response

- Under DCC Licence provisions, DCC's annual costs are publicly disclosed through the Price Control mechanism.
- DCC would be potentially restricted in providing the requested cost information in its publicly available charging statements due to Commercial confidentiality clauses.
- The new SEC requirements would lead to DCC publishing its costs outside and ahead of Price Control review by Ofgem.
- Consultations and reviews ongoing for governance and reporting within DCC. SEC modification should be consistent with agreed regulatory frameworks.
- **Given these changes, SEC modification should progress as Authority-Determined as opposed to Self-Governance.**

DCC proposed changes

DCC proposes that these new requirements are **removed** from the legal text with the **QFF ToR expanded to include the reporting** as agreed under the Programme Assurance Policy.

DCC legal text proposed changes

MP263 proposed wording

J4.9 Where any costs or Charges have changed from any previous budget published on the DCC Website pursuant to Section J4.4, the DCC shall:

- (a) provide an explanation of such discrepancy; or
- (b) where there are no discrepancies in costs or Charges, the DCC shall specify that there are no changes between the current and previous budgets.

DCC Response

- DCC Indicative Charges may vary due to updated key assumptions of forward spend projections.
- A change in Indicative Charges should not be therefore considered a discrepancy.
- There is a need to note the overall movement in total charges, due to changes in forecast assumption and programme delivery timelines.
- An explanation will be provided at QFF.

DCC proposed changes

J4.9 Where overall Charges have changed from the previous quarters budget published on the DCC Website pursuant to Section J4.4, the DCC shall:

- a) provide the overall movement in charges from the last quarter noting that these are driven by changes in forecast assumptions and programme delivery timelines with an explanation provided at QFF; or
- b) state that no changes have been made to DCC's overall charges versus the last quarters publication.

DCC legal text proposed changes

MP263 proposed wording

J4.10 Where an error is identified in a budget published pursuant to Section J4.4, the DCC shall take reasonable steps to republish and acknowledge the changes on the DCC Website within five Working Days of the error being identified.

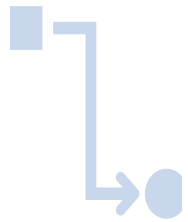
DCC Response

- DCC will take reasonable steps to ensure the accuracy of Indicative Charging statements.
- Where an error is identified, Ofgem approval is required to publish an updated Charging statement.

DCC proposed changes

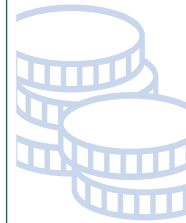
DCC propose that SECAS and DCC engage with Ofgem to establish the process to be followed should an error be identified. Following this, the working day turnaround should be reconsidered before finalising the wording of J4.10.

■ Assessment of Change



Impacted Parties

- Suppliers
- Network Parties
- Other SEC Parties
- DCC



Costs

- SECAS implementation costs



Target Release

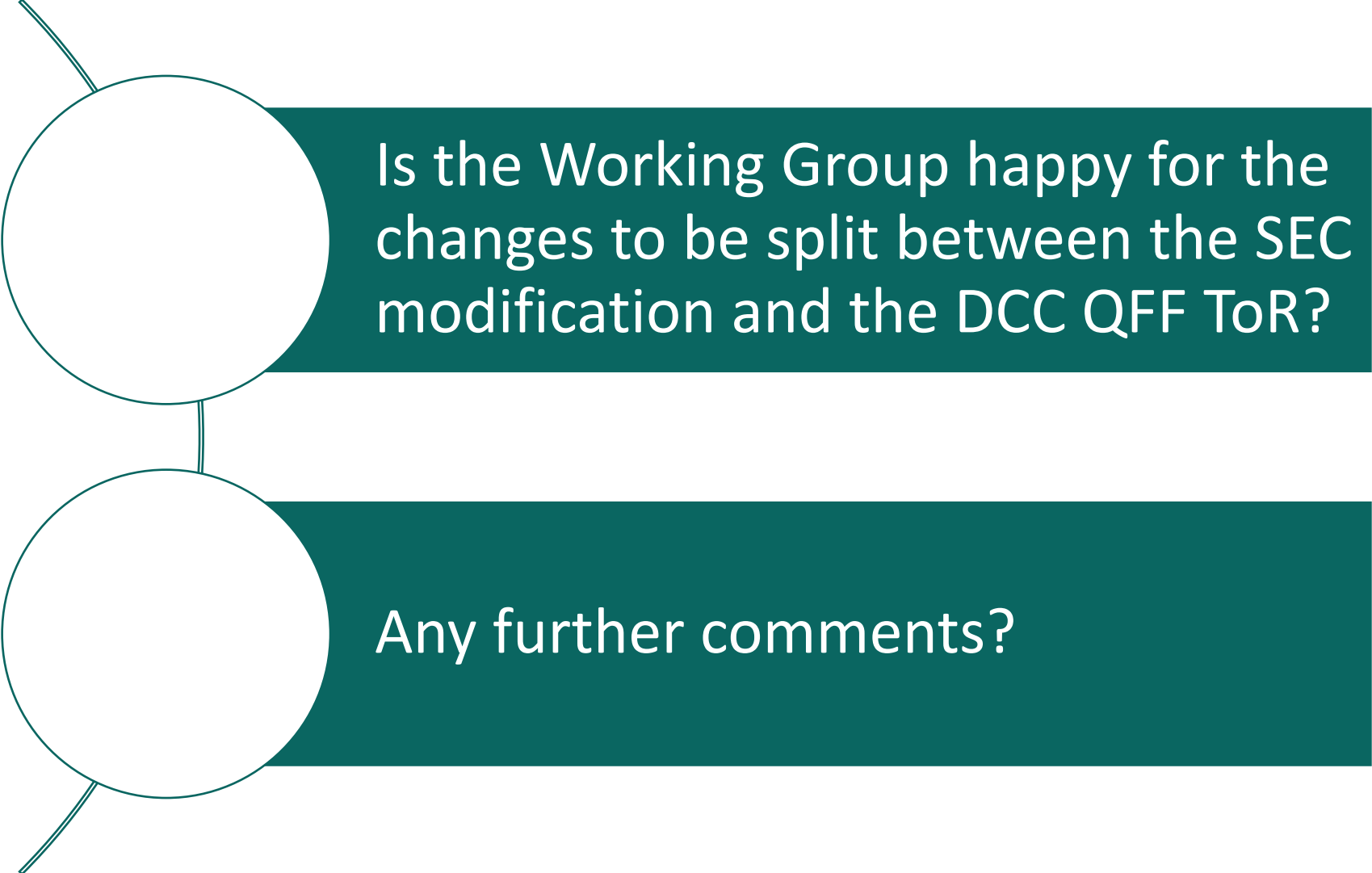
- Nov 2024 SEC Release



Benefits

- Greater visibility of DCC indicative costs
- Reduce time and resource to seek information that is not currently included

■ Questions for the Working Group

A diagram consisting of two white circular speech bubbles with thin teal outlines, connected by a vertical line. Each bubble has a short line extending from its top and bottom, giving it a 3D effect. The top bubble is positioned to the left of a teal rectangular box containing text. The bottom bubble is positioned to the left of another teal rectangular box, also containing text.

Is the Working Group happy for the changes to be split between the SEC modification and the DCC QFF ToR?

Any further comments?

■ Next Steps



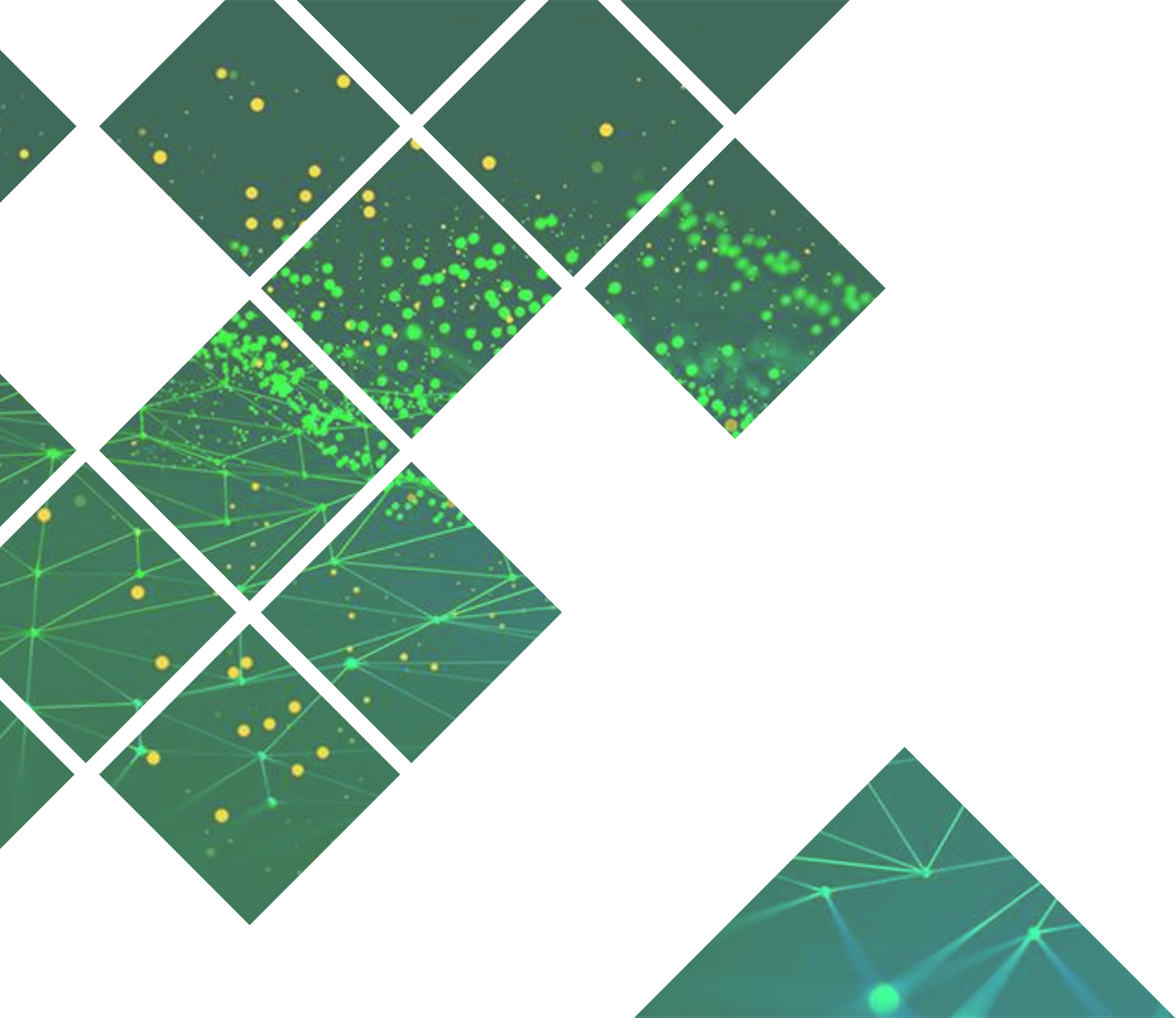
Change Sub-
Committee
July 2024



Modification Report
Consultation
July – August 2024



Change Board
August 2024



Thank you for listening

Any questions?

■ MP241 'Interoperability Checker Update'

Mo Sumro

Raised by Robin Seaby from the DCC

MEDIUM

■ Objectives of the Working Group

REVIEW	DCC Impact Assessment
REVIEW	The Proposed Solution
AGREE	The next steps

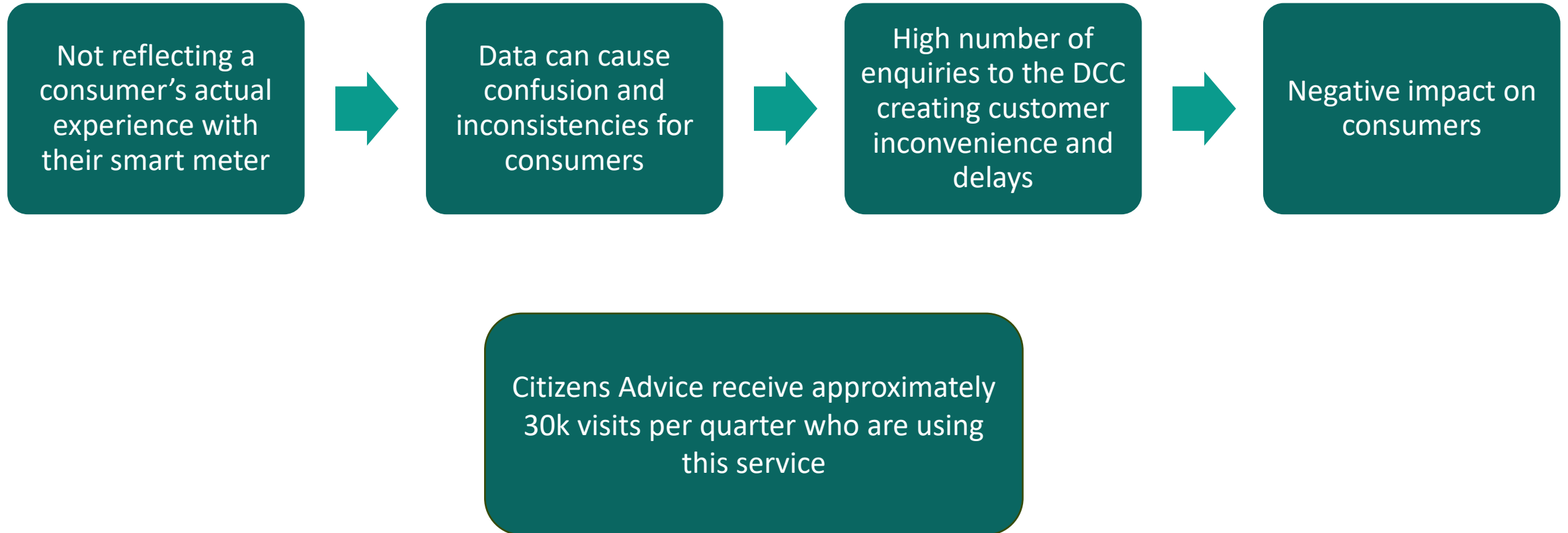
Current Arrangements

- Interoperability Checker Service was introduced to help provide advice to consumers
- The tool is hosted on the Citizens Advice website and provides consumers:
 - Whether their installation is Enrolled in DCC Systems
 - Who the Responsible Supplier is
 - Whether the installation is SMETS1 or SMETS2+
 - If SMETS1, which Supplier the consumer could switch to whilst retaining or regaining Smart functionality on their Smart Metering System (SMS)

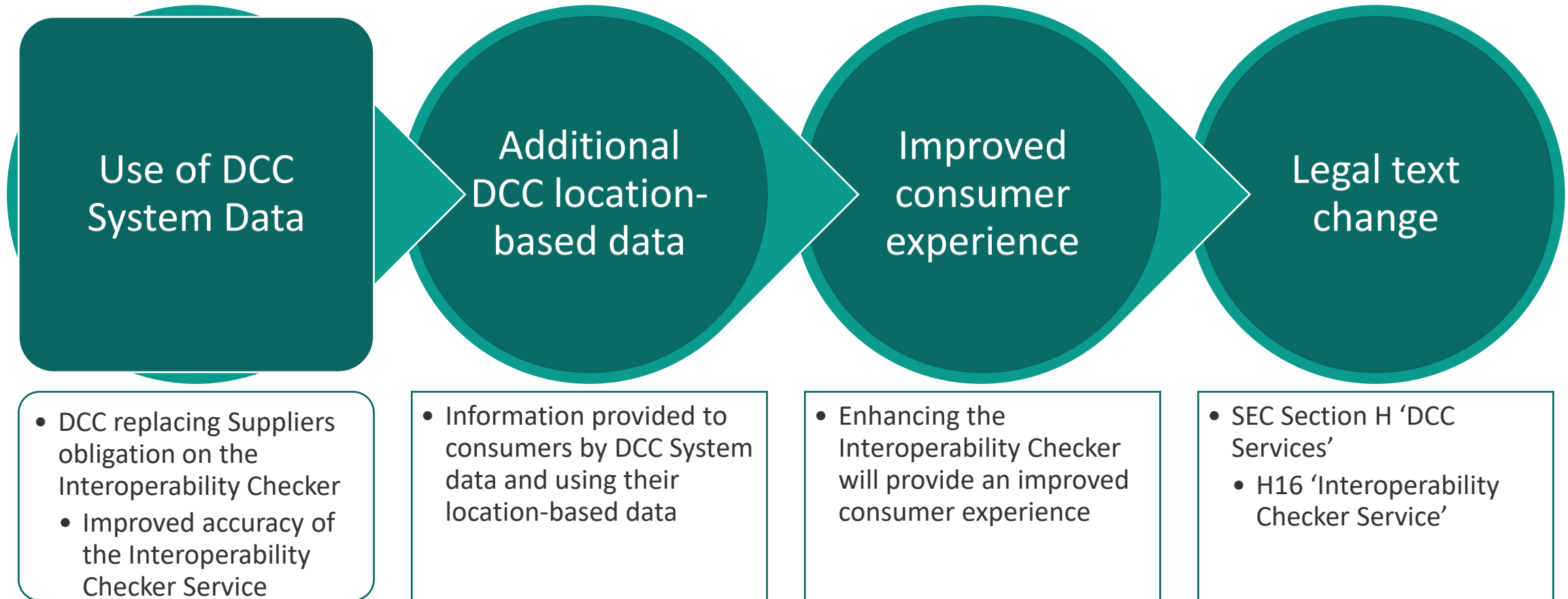
How is data provided?

- Suppliers provide policy data as to which enrolled SMETS1 can operate in Smart Mode
- DCC provide information on current Supplier and Enrolment from DCC Systems

Issue



■ Proposed Solution Summary



■ Reporting elements

Report 1 (weekly)

*Serves business requirements
1 & 3*

- **Data indicating whether their smart meter can operate in Smart Mode**
- **Data indicating whether if a switch of Supplier occurs, that the meter would continue to operate in Smart Mode**
- SRV 4.6.1'RetrieveImportDailyReadLog'
- SRV 4.8.1'ReadActiveImportProfileData'
- SRV 4.8.2'ReadReactiveImportProfileData'
- All variants of SRV 4.1 & SRV 4.4
- SRVs which read Import, billing and Change of mode details

Report 2 (daily)

*Serves business requirement
2*

- **Data indicating whether their smart meter is currently operating in Smart Mode**
- For each Enrolled SMETS1 Smart Metering System, whether the Responsible Supplier is operating a Smart Metering System in Smart Mode

Report 3 (monthly)

*Serves business requirement
4*

- **Provide consumers with information as to whether their property could have a Smart Meter installed**
- DCC checks if the meter is covered by the DCC SMWAN
- Percentage of the total number of Domestic Premises in the surrounding area at which there is an Enrolled SMETS2 Smart Metering System
- Results remain anonymised, the minimum number of Domestic Addresses included in the calculation will be 5 (excluding the consumer making the enquiry)

DCC Impacts

DS&A

Utilising datasets provided by CSP/DSP
Creation and maintenance of Extract, Transform and Load (ETL) processes

Critical Software

Develop and test the required changes in test environment

- API endpoints to simplify to yes/no via data in report 2
- Flexible SRV timeframes
- Adding “smart mode support list” CSV files to be created
- New table will be added to data model
- New data access logic required for the improved service
- New test creation for smart mode functionality

■ Impact Assessment Summary

Cost (Design, Build & PIT)

- £99,901 - Modification will not follow standard PIT, SIT and UIT pattern associated with SEC Release
 - £86,862 – Design, Build Test & Deploy Interoperability Checker Update (requirements 1,2 and 3)
 - £13,039 – Additional cost to implement Interoperability Checker Update (requirement 4)
- Unit testing carried out during build phase
- Changes will be continuously built and tested through the development work

Implementation

- 10 **months** up to the end of PIT
 - Part 1 – Involved delivery of requirements 1,2 and 3 within the first **6 months**
 - Part 2 – Involved the delivery of requirement 4 within the subsequent **4 months**

■ Impact Assessment Impacts

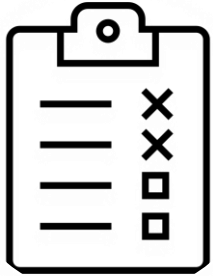
DS&A department

- ETL (Extract, Transform and Load) processes to import data to create a new data model

Critical Software department

- Changes for the new API endpoint/smart mode – Simplifies to yes/no to indicate whether a specific meter is currently operating in smart mode as determined by data in report 2.
 - Length of time for when a Service Request was last sent to Device can change to identify what is operating in smart mode by leveraging the source data from the DCC reporting platform
- Changes to current file processing
 - Suppliers will no longer be required to provide Interoperability Data, however, will still need to provide exceptions and brand names
- Changes needed for the new API endpoint/coverage
 - Prompts users to provide a postcode and premises identifier
 - Provides information about the SM WAN coverage status for that specific location including the percentage of nearby premises that currently have a SMETS2 smart meter installed

Previously Raised Concerns



Does not guarantee 100% accurate results



Enhances the Interoperability Checker to allow for a more accurate source of information



DCC SMWAN element is not required



Inclusion of 2G/3G and 4G coverage data will be available in the DCC System Data and will not add complexity to the solution

■ Business Case vs Benefit

£99,901 to improve
consumer experience

DCC System data
provides an improved
Interoperability
Checker

Improves consumer
experiences

Reduces the number of
enquiries and support
requests that the DCC
would receive

■ Questions for the Working Group

Does the modification provide cost/benefit?



Is the modification complete?

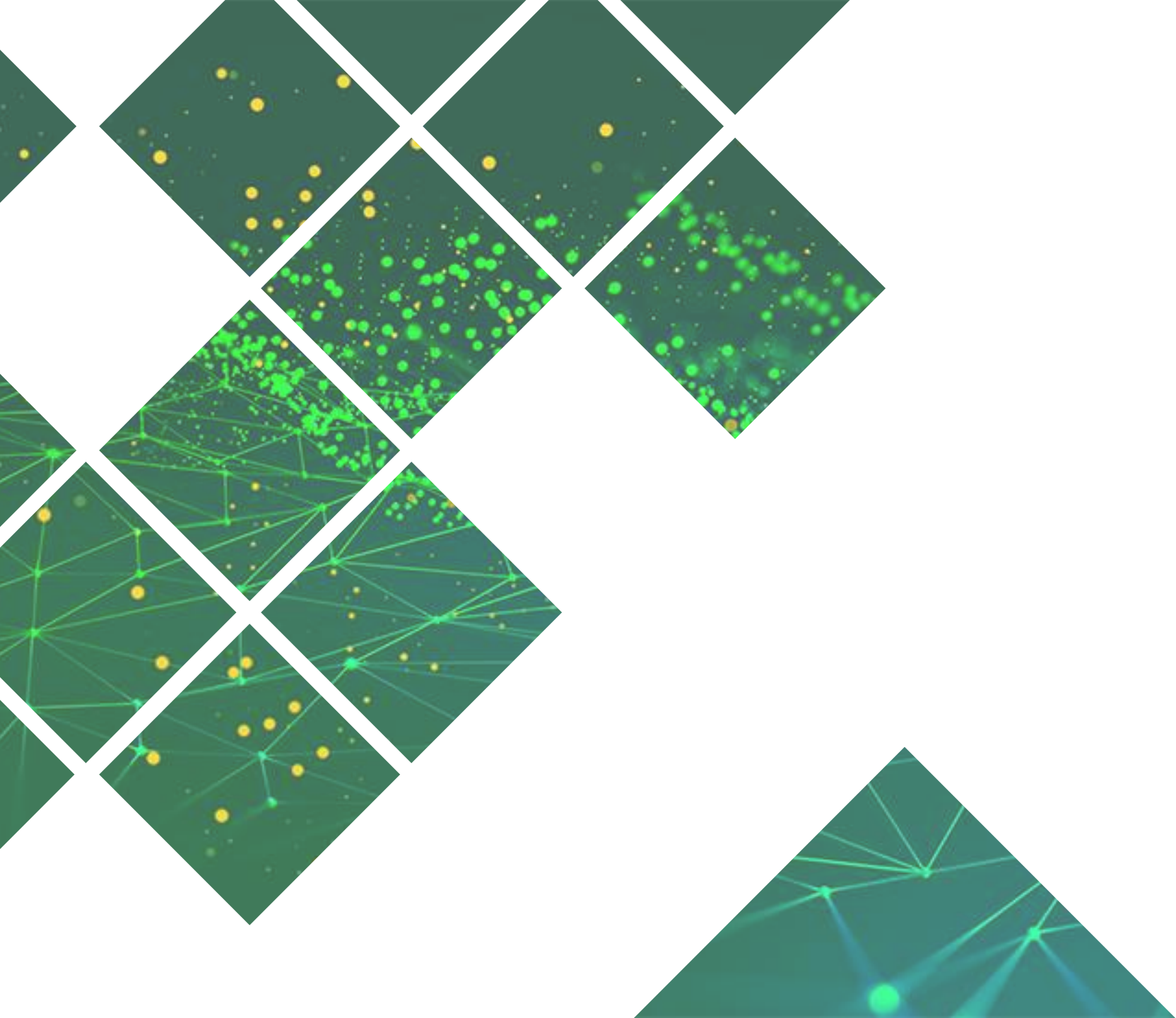


Anything else that needs to be considered?



■ Next Steps





Thank you for listening

Any questions?

■ MP244 'Device Alerts for Smart Meter credit replenishment'

Raised by Kevin Clark on behalf of Utilita

Georgie Severin

LOW

Objectives of the Working Group

NOTE

The Refinement Consultation responses

AGREE

The next steps

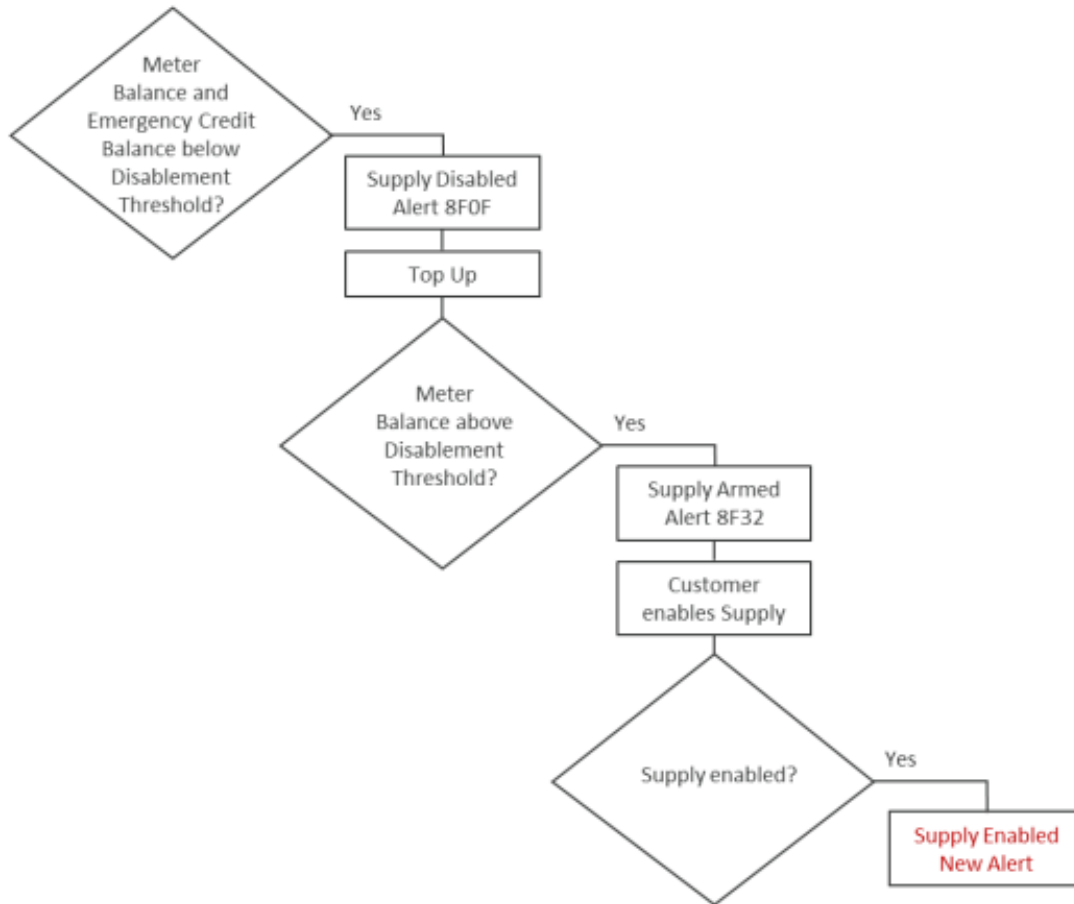
Issue

- Multiple scenarios where a Supply could have exhausted its credit value potentially resulting in loss of power.
- There are currently no Device Alerts to notify a Supplier of issue resolution e.g., credit being topped up.
- This impacts Suppliers' ability to proactively provide support to vulnerable consumers who might be rationing or Self-Disconnecting.
- It also adds potentially avoidable traffic to the Data Communications Company (DCC), as Suppliers resort to sending SRV7.4 'Read Supply Status' multiple times to receive an update.

Solution

- The Solution centres around adding a new configurable Device Alert that sends a notification once the supply is re-enabled.
- This would potentially lower traffic by removing the need to send multiple SRV7.4 to receive a supply update.
- It would also enable Suppliers to take proactive action in protecting vulnerable customers.

■ Proposed Solution Summary



Manufacturers' costs – £1.7 – £2m to introduce new Alert to Devices in line with SMETS/GBCS/DUIS changes

New Alert is configurable

Requires new version of GBCS

Requires new SMETS

Requires new version of DUIS

New version of MMC

DSP changes required to support new Alert.

Refinement Consultation key points



Consumer impact

Consumers may benefit from Suppliers taking an action on the back of receiving the Alert and signposting available support.



“Consumers will however feel the cost of this Modification via costs being levied upon suppliers which ultimately impacts consumers bills.”



Refinement Consultation key points

Respondent comment

The issue would, in theory, be a good idea. In practice, the implementation timeline is well over 12 months. It also includes changes to GBCS which take time to be implemented. Manufacturer's time to implement also needs to be considered. A non-mandated/non-GBCS route would seem more sensible. Or continue with current workaround.



SECAS notes the comments made by the respondent. GBCS and SMETS changes approved in 2026 are unlikely to be adopted straight away by industry, including the rollout of manufactured Devices that contain the newest version. A non-mandated/non-GBCS route may be more time-effective.

SECAS response

(a)

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

(c)

Facilitate energy consumers' management of their use of electricity and gas through the provision of appropriate information via smart metering systems.

"MP244 requires no changes to our system however it offers a different way of monitoring something we already monitor. With this in mind we would need little time to implement the alert proposed in MP244."



Refinement Consultation key points

Respondent comment

SRV 7.4 'Read Supply Status' accounts for 0.235% of all DCC traffic. SRV 7.4 is not solely used to determine if consumer is on supply, therefore the new Alert may not decrease the DCC traffic as much as likely perceived.

SECAS response

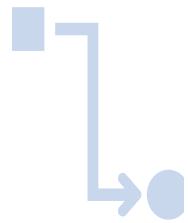
SECAS notes the respondents' comments. The potential to decrease traffic through removing the need for multiple SRVs to travel the length of the DCC System, even in a small amount may be beneficial in the long term.

While there is potential to support vulnerable consumers if the modification is approved and the Alert appropriately utilised, it is likely the unknown final costs and time to deliver will outweigh the overall benefit.

SECAS notes the respondents' comments. The biggest reported benefit of this Alert would be the additional support Suppliers could offer on the back of receiving it. Respondents have advised within their responses that such measures exist within their current procedures which may be just as effective.

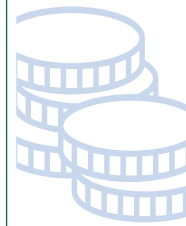


■ Assessment of Change



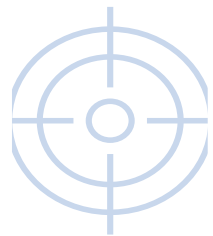
Impacted Parties

- Suppliers
- Other SEC Parties
 - Manufacturers



Costs

- DCC costs £60,000 - £200,000
- Consequential costs to Manufacturers £1.7 - £2m



Target Release

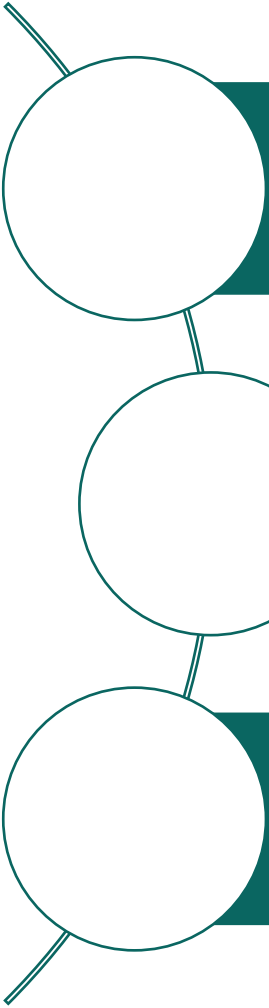
- June 2026 SEC Release



Benefits

- Better visibility of vulnerable prepayment consumers
- Enables proactive action

■ Questions for the WG

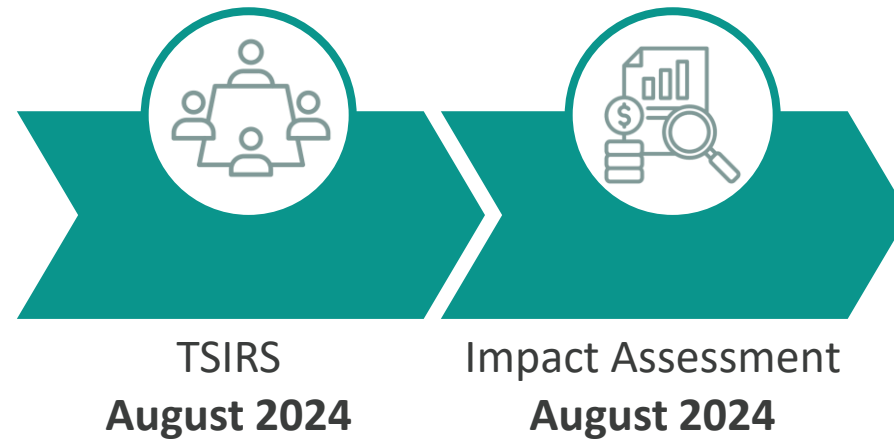


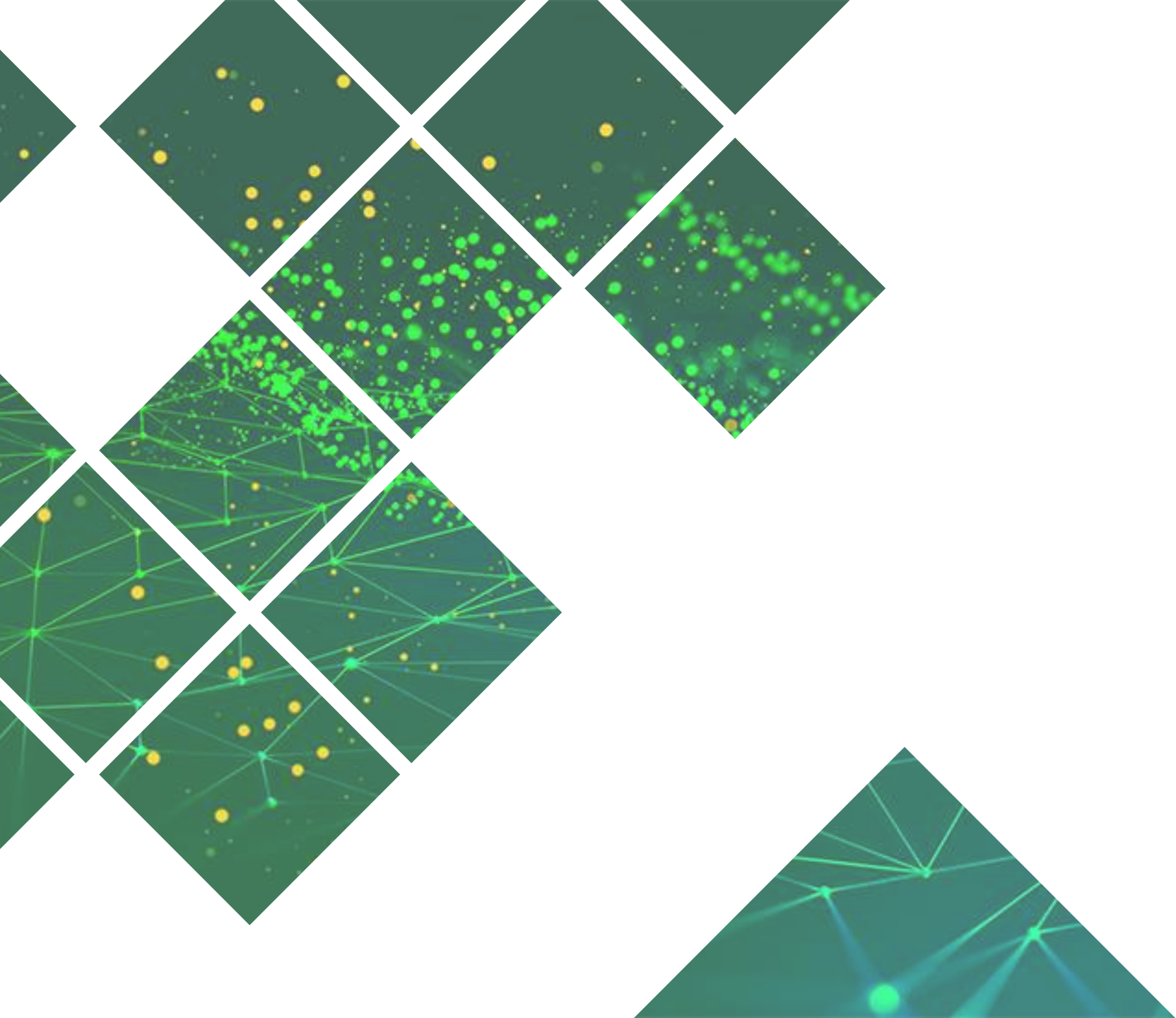
Should the Impact Assessment be requested?

(Q from Kevin on Thursday)

Any other comments?

■ Next Steps





Thank you for listening

Any questions?

■ Any other business

Kev Duddy

YOUR FEEDBACK MATTERS

GET IN TOUCH WITH YOUR THOUGHTS AND COMMENTS

SEC.Change@gemserv.com

Want know more about SEC Change and Modifications?
Why not listen to our Modcasts?!

Available for download on our [website](#) or listen on [LinkedIn](#)

Thank you for listening

The next meeting will be on
Wednesday 7 August 2024