JANUARY 2023

SEC Newsletter

WELCOME TO THE JANUARY 2023 SEC NEWSLETTER!

Welcome to the January 2023 SEC Newsletter!

We hope that you have had a wonderful new year and are ready to begin 2023 with all that we have to offer from the Smart Energy Code (SEC)!

In this edition, we introduce the new SEC Panel & Board Chair – Angela Love. We provide an update following the SEC Charging Methodology RFI Q&A session. We cover our new Panel Sub-Committee – the Communications Transition Group (CTG), the Central Products List (CPL) Removal updates, our latest modcast and the improvements to the SEC Modifications timeframes.

You can also read our usual updates on new Draft Proposals, open industry consultations and the key meeting dates for February 2023.

We hope you enjoy this edition, please contact us at the SECAS Helpdesk if you have any topics you would like to see covered in an upcoming newsletter.

SEC Smart Energy Code

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The Smart Energy Code Company announces Angela Love as the new SEC Panel and Board Chair

Following nine years as the SEC Panel and Board Chair, Peter Davies is standing down in March 2023. The SEC Board has therefore undertaken an extensive recruitment process to find Peter's successor.

The Board is delighted to announce that Angela Love has been appointed as SEC Panel and Board Chair designate and will take over from Peter when he leaves in mid-March 2023. Angela's appointment has been approved by Ofgem, as required under the Smart Energy Code.

The Board would like to sincerely thank Peter for the work that he has undertaken during his tenure on the SEC Panel and Board, where he led and established the current SEC operational and governance arrangements, leaving SEC in a robust position to address future challenges.

Out-going Chair, Peter Davies said "I have really enjoyed my time with the SEC and working with SEC Parties to establish and make the SEC arrangements a success. I look forward to working with and handing over to Angela, who I believe will be an ideal Chair for the SEC going forward".

On being appointed, Angela said "I am delighted to be joining the SEC and look forward to working with the Panel, the Board and SECAS to address the challenges facing the smart metering sector. At a time when Ofgem is considering the Code and DCC arrangements and themselves evolving to become the energy market Strategic Body, it is a really exciting time to be leading one of the key Codes within the energy sector. The challenges facing the sector are many and varied, but I am sure that working with the SEC Panel, SEC Parties, DCC, BEIS, Ofgem and other stakeholders we can proactively address them together."

To find out more about Angela Love click here.

DP218 REVIEW OF THE SEC CHARGING METHODOLOGY RFI

We would like to thank Parties for attending the DP218 'Review of the SEC Charging Methodology' request for information (RFI) Q&A drop in session on 19 January 2023.

The objective of this session was to summarise the issues raised in this Draft Proposal and what we seek from respondents in the RFI. At this stage in the modification framework, we are working to define and understand the issues raised by the Proposer and the impacts these are having. Discussions on potential solutions will take place later in the process once the problem statements have been fully defined.

Responses to the RFI are invited by the end of January, and you can download a copy of this here. A recording of the Q&A session is available here.

A summary of the two issues is below, and you can find more details on these on our website here.

What are the issues identified?

The DCC Fixed Charges are apportioned to five Charging Groups: Import Suppliers, Export Suppliers, Gas Suppliers, Electricity Distributors and Gas Transporters. The current DCC Weighting Factors mean Suppliers are paying 94% and Network Parties 6% of the Fixed Charges throughout the Smart Metering Implementation Programme.

There are two issues raised under DP218 relating to the allocation of these charges:

- The costs for the DCC to manage System traffic is currently recouped under Fixed Charges, rather than each DCC User being charged for each transaction (although the DCC has the ability under the SEC to apply transactional charging, should it decide it wishes to levy costs this way). Therefore, only Suppliers and Network Parties are being charged the costs for managing all transactions over the DCC Systems, irrespective of which Party the message originated from. In the RFI, we are seeking your views on whether transactional charging for using the DCC Systems should be introduced, how this could be implemented, and how any such changes might impact you.

- The Panel has noted a recent increase in Other SEC Party activity within the SEC arrangements. SEC forums, governance groups and modifications require SECAS effort to run and administer; these administrative costs are included in the DCC Fixed Charges and therefore only Suppliers and Network Parties are paying for them. Furthermore, the costs for the DCC to implement System changes to deliver approved modifications is also recouped through Fixed Charges, irrespective of who is impacted or benefitted by the changes. We are asking for your views on whether the allocation of Fixed Charges needs to be changed, and on what an equitable allocation of these charges across different Parties or User types may look like.

We are seeking views on both issues under this RFI. Following the RFI, the two issues will be separated and progressed independently.

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NEW SEC PANEL SUB-COMMITTEE - COMMUNICATIONS TRANSITION GROUP

The As part of its role in assuring SEC Parties that the delivery and execution of DCC programmes is in the interest of SEC Parties and impacts are understood and managed, the SEC Panel recognises that there is potential for significant impacts to DCC Users during the 2G 3G sunsetting transition now that the DCC's 4G Communications Hub & Network Programme is in delivery mode.

The Communications Transition Group (CTG) has therefore been established as a Sub-Committee of the SEC Panel to oversee the activities on behalf of SEC Parties and other key industry stakeholders.

The CTG's key purpose is to ensure that the multiple transitions as part of the switchover from 3G and 2G services to 4G, are delivered with minimal impact to DCC Users and end-users of smart metering devices. Work is already underway to set out the CTG's initial workplan.

The CTG is planning to meet monthly on the third Thursday of the month with an initial meeting on Friday 17 February 2023.

CTG members are expected to have relevant experience of the smart metering programme which may include relevant understanding of technical, regulatory, and commercial matters that will be relevant to the Transition activities.

You are invited to nominate a prospective candidate, or if you would like to be involved in important industry developments, you are also able to nominate yourself.

The full Invitation for nomination and available seats can be found on the SEC website here.

What seats are available?
The below seats are available for nomination:

- 11 persons appointed by the Large Suppliers Parties (one per Voting Group);
- Up to three persons appointed by the Party Category representing Small Supplier Parties;
- Up to three persons appointed to represent the Party Categories of Electricity Network Parties and Gas Network Parties;
- Up to three persons appointed by the Party Category representing Other SEC Parties;
- Two persons appointed by the DCC; and
- Up to two Consumer Members nominated by Citizens Advice or Citizens Advice Scotland.

How to make a nomination?
Please complete the online form here by 5pm on Wednesday 8 February 2023. Please note, SEC Parties need to be logged in to the website to access this form. If you do not have a SEC website account, please register here.

If you have any questions, please contact SECAS@Gemserv.com.

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CPL REMOVAL NOTIFICATION

The Security Sub Committee (SSC) has been liaising with Suppliers with regards to the removal of multiple Devices from the CPL to allow Suppliers to upgrade the Device firmware versions and to purge supply chains of Devices where the Commercial Product Assurance (CPA) Certificate has expired or been withdrawn, in line with its responsibility in SEC Appendix Z Section 6.

At the 11 January 2023 SSC meeting, the SSC identified a potential impact for certain pre-payment consumers and agreed to defer the removal of the affected Devices from the CPL (originally due on 27 January 2023) subject to Suppliers with affected Devices providing a named Responsible Owner to be accountable for a Remediation Plan, to be provided to SSC by close of business on Friday 3 February 2023. The Remediation Plan should be provided monthly and demonstrate progress in reducing the volume of Devices needing a security upgrade. The Responsible Owner should ensure that priority is given to upgrading affected Devices in pre-payment mode to protect any vulnerable consumers.

The SSC will keep the removal of the affected Devices from the CPL under consideration, pending review of the Supplier Remediation Plan. If you have any questions on this, please email SSC@gemserv.com.

SEC MODIFICATION TIMESCALES

We completed our review of the SEC modification framework at the start of 2021, when we began rolling out the identified improvements to how we progress change. These were intended to streamline the framework and allow modifications to progress more smoothly. In the two years since this review, the average time for a new modification raised to reach final decision has improved by 50%.

In parallel with our review, the DCC undertook its own collaborative design review, part of which looked at how the timescales for DCC Assessments could be reduced. At the time, the DCC was averaging 63 working days for a Preliminary Assessment and 107 working days for an Impact Assessment. The time for the DCC to complete DCC Assessments has now dropped significantly, taking around 22 working days for a Preliminary Assessment and 48 working days for an Impact Assessment. We continue to work with the DCC to ensure DCC Assessments consistently meet the timescales set out in the SEC.

LATEST SECAS MODCAST

Our latest SEC Modcast has been released! In this episode, we discuss the upcoming February 2023 SEC Release and DP224 'SEC Performance Assurance Framework' which has been raised to look at developing and implementing a SEC Performance Assurance Framework (PAF). We also discussed MP223 'WAN Coverage Reporting', which is seeking to introduce obligations on the DCC to report on current WAN coverage levels, and any work which is ongoing to improve them.
If you want to find out more about the topics discussed, please contact the SEC Change team.

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Industry News

[CONSULTATION ON PROPOSED CHANGES TO THE TEMPORARY COMMUNICATIONS HUB ORDERING AND DELIVERY RULES (TCHODR)]

The TCHODR are currently in place to cover deliveries up to March 2024. Those rules were implemented to provide the supply chain with increased certainty on the volume of Communication Hubs (CHs) required over time and to help mitigate the risk of under supply. Global supply chain issues persist and the DCC considers that extending the current TCHODR would continue to help mitigate the risk of CH under supply through 2024. You can access the consultation here. The consultation closes on **2 February 2023**.

SMETS1 CONSULTATION ON CHANGES TO THE SMETS1 SUPPORTING REQUIREMENTS – JANUARY 2023

This is a DCC consultation on changes to Clause 17 and Clause 18 of the Smart Metering Equipment Technical Specifications (SMETS)1 Supporting Requirements (S1SR) that records certain Device Specific Behaviours. Through discussions with industry at the Device Issue Recommendation Forum (DIRF), and also to correct defects within the system, the DCC has identified changes that are required to the S1SR and is consulting on these changes. You can access the consultation here. The consultation closes on **10 February 2023**.

SMETS1 CONSULTATION – CLOSURE 2

Ofgem The DCC is consulting on proposals to end Migrations for the Initial Operating Capability (IOC) and Final Operating Capability (FOC) (NP) cohorts from 26 March 2023 as Migrations will be materially complete by this point i.e. SMETS1 Installation will either be Migrated or excluded. You can access the consultation here. The consultation closes on **10 February 2023**.

REVISED OPERATIONAL PERFORMANCE REGIME (OPR) GUIDANCE CONSULTATION

Ofgem is consulting on the guidance for the Operational Performance Regime (OPR). The regime financially incentivises the DCC's performance in three main areas: system performance, customer engagement and contract management. You can access the consultation here. This consultation closes on **17 February 2023**.

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SECAS Vacancies & Events

SECAS VACANCIES

If you would like to join the SECAS team, you may be interested in the following vacancy:

SECAS Governance Analyst

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Modifications

NEW DRAFT PROPOSALS

There have been two new Draft Proposals raised since the last newsletter.

DP224 'SEC Performance Assurance Framework'
The SEC does not explicitly define a Performance Assurance Framework (PAF), which is in contrast with some other Energy Codes. Instead, the SEC Panel, as the key decision-making authority under the SEC, is expected to deal with any performance-related matters as they arise. However, managing performance-related matters on a case-by-case basis is challenging and the scope of the Panel is broad.

A project undertaken on the Panel's behalf has concluded that the implementation of a risk based PAF under the SEC would give confidence to Parties that the obligations set out in the SEC are being fulfilled and that performance risks and issues are dealt with in a standardised manner. The project concluded this should be progressed further via the SEC modification framework; this Draft Proposal has been raised to take this work forward.

DP226 'Incorporation of Category 3 Issue Resolution Proposals (IRP) into the SEC - Batch 10'
IRPs identify issues within the SEC Technical Specification documents and put forward a solution to the identified problem. In some cases, these queries have been resolved by providing an explanation of the Specifications, whilst others have resulted in proposed amendments to the Specifications in the form of IRPs. IRPs included in this modification are IRP660, CRP655 and IRP657, more may be added.

MODIFICATION REPORT CONSULTATIONS

As a SEC Party, you can help influence whether the Modification Proposal is approved or rejected at the Change Board by commenting on how the proposal will affect your organisation and providing rationale as to why it would be beneficial or not to industry. For more information and to respond the consultation, download the consultation pack linked below and send your response to the Change Team.

MP216 'Incorporation of Category 2 Issue Resolution Proposals into the SEC – Batch 9' Download here.	**Closing Date:** Wednesday 8 February 2023	**Impacted Parties:** Supplier Parties, The DCC, Other SEC Parties
MP198 'Further Changes from the Review of the SMKI and DCCKI Document Set' Download here.	**Closing Date:** Wednesday 8 February 2023	**Impacted Parties:** The DCC

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Publications

OPEN INDUSTRY CONSULTATIONS WEBPAGE

Please visit our Open Industry Consultations webpage for details of consultations that may be of interest to SEC Parties. If you are aware of a consultation that should be added, please contact the SECAS Helpdesk.

For other publications that may be of interest to you, please view the Operations Report in the SECP_112_2401 - Meeting Documentation (WHITE). SEC Parties can also view the Transitional Governance Update (TGU) Paper in the SECP_112_2401 - Meeting Documentation (GREEN).

SECAS HELPDESK

Please contact the SECAS Helpdesk with any questions and a member of the team will be happy to help. Helpdesk hours are **Monday-Friday 9-5pm (excluding bank holidays)**.

Key Upcoming Governance Meeting Dates

You can view all upcoming and previous events / meetings in the SEC Online Calendar.

1 February	**SEC Monthly Working Group Meeting - February 2023**
2 February	**Technical Architecture and Business Architecture Sub-Committee Meeting 86**
6 February	**Strategic Working Group 13**
8 February	**Security Sub-Committee Meeting 163**
8 February	**Smart Metering Key Infrastructure Policy Management Authority Meeting 102**
14 February	**Operations Group 88**
16 February	**Technical Architecture and Business Architecture Sub-Committee Meeting 86X**
21 February	**Change Sub-Committee Meeting 48**
22 February	**Testing Advisory Group Meeting 99**
22 February	**Change Board Meeting 75**
22 February	**Security Sub-Committee Meeting 164**
24 February	**Other SEC Party Quarterly Issues Call February 2023**
27 February	**Operations Group 89**
27 February	**TAG Meeting 98**
28 February	**SEC Panel Meeting 113**