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Stage 02: Working Group Consultation Responses

What stage is this document in the process?

01	Initial Modification Report
02	Refinement Process
03	Report Phase
04	Final Modification Report

SECMP0027 'Amending Service Request'

About this document

This document contains the collated responses to the SECMP0027 Working Group Consultation (WGC). The Working Group (WG) will review these responses and consider them as part of the solution development for this modification.

If you would like any further information, or to discuss any questions you may have, please do not hesitate to contact Selin Ergiden on 020 7090 1525 or email SEC.Change@gemserv.com.

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 1 of 20

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Question 1

Q1: Do you agree that the proposed solution better facilitates the SEC Objectives?

Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	We do not believe that the proposed solution better facilitates any of the SEC objectives.
British Gas	Large Supplier	Yes	We believe SEC mod 27 better facilitates objective g of SEC (transparent administration of SEC) and has limited impact on objective d (effective competition in the supply of energy).
Utilita Limited	Large Supplier	Yes	Utilita believes this modification will better facilitate SEC Objective G through reducing SEC Party and SEC Panel impacts by improving current SR forecasting requirements.
Northern Powergrid	Network Party	Yes	The proposed solution better facilitates the SEC objectives by removing the possible sanction of publication on its website of the names of Users not meeting the $\pm 10\%$ SR forecasting accuracy requirement. This objective will be better facilitated because it will allow relevant User parties to concentrate on their core activities without having to be concerned about whether they may be 'named and shamed' due to circumstances (being customer top-up preferences in particular) that are not controlled by them.
Western Power Distribution	Network Party	Yes	We believe that this modification better facilitates SEC Objective (d) as it will prevent Users being 'named and shamed' through actions that are beyond their control and this will aid effective competition. This modification also better

SECMPO027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 2 of 20

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			facilitates SEC Objective (g) by facilitating transparent administration of the Code.
TMA Data Management Ltd	Other Party	Yes	SECMP0027 better facilitates SEC objective G. It will allow the monitoring of the Service Request level to be meaningful.
The Renewable Energy Company (Ecotricity)	Small Supplier	Yes	We agree that the proposed solution better facilitates SEC Objective D. This solution allows those suppliers whose meter portfolio comprises a greater percentage of prepayment meters to compete on a level playing field with those with a lesser percentage. This potential risk of reputational damage is mitigated by the privacy retained from not publishing a breach of 'Top-Up device' forecasting tolerance.
SSE	Large Supplier	Yes	This solution will better facilitate Objective D as it should improve commercial reporting to SEC, and this will result in reducing the reputational impact of forecasting reports to the SEC Panel, which should also facilitate Objective F.
Electricity North West Limited	Electricity Networks	No	We are of the opinion that additional refinement of SECMP0027 proposals can further facilitate the relevant SEC objectives and reduce the administrative burden on parties, the DCC and the SEC Panel (refer to response to Question 4).
Npower	Large Supplier	Yes	We do agree that the solution facilitates the SEC Objectives.

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 3 of 20

This document is
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Question 2

Q2: Will your organisation be impacted due the implementation of this modification?

Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	We do not believe that we would be impacted by the implementation of this modification.
British Gas	Large Supplier	No	
Utilita Limited	Large Supplier	No	Overall, there will be a positive ultimate outcome but no direct impacts in terms of system costs. Utilita believes the modification will reduce unnecessary costs and potential unintended reputational damaged caused by customer driven activity which is difficult to forecast, months in advance. This modification should reduce party impact and SEC Panel impact whilst not adversely impacting any party including the DCC which will still receive “best endeavours” forecasting from suppliers in order to manage network traffic.
Northern Powergrid	Network Party	Yes	Yes. Northern Powergrid will be affected by this change because it has access to SRV 7.4 ‘Read Supply Status’ and plans to make comprehensive use of this SRV. The impact of the current arrangements, as laid down in H3.24, on DNOs is potentially higher than the impact on Suppliers (via SRV 2.2 ‘Top-Up Device’) because Suppliers are at least in charge of their own forecasts and meter implementation plans.

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 4 of 20

This document is
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			DNOs in contrast, do not have any visibility of Suppliers' SMETS2 installation plans; instead they receive combined plans for SMETS1 and SMETS2 installations. This means that DNO demand forecasts for SRV 7.4 have to be based on DNOs' estimates of when each Supplier is likely to be installing SMETS2 meters. Whilst we receive SMETS2 installation updates from Suppliers in our bilateral interactions, these are indicative only and are not sufficient to allow us to forecast to within a 10% margin for error. For commercial reasons Suppliers keep their detailed SMETS2 forecasts private.
Western Power Distribution	Network Party	Yes	Network Operators are likely to use SRV7.4 when there are significant power outages and consumers making contact with us for information. This usually occurs during adverse weather conditions. As we are unable to predict these weather conditions or the impact it will have on our networks, we are unable to predict accurately the use of this SRV. Therefore, if we are outside our 10% tolerance due to this SRV, we will not be 'named and shamed' through actions that are beyond our control, as details of the report cannot be published. This will also enable us to put our customers first without fear of negative publicity.
TMA Data Management Ltd	Other Party	No	
The Renewable Energy Company (Ecotricity)	Small Supplier	No	There will be no material process impact from this modification as processes will remain as they were.

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 5 of 20

This document is
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Smart Energy Code

SSE	Large Supplier	Yes	We will continue to forecast our SRs as usual, but we will be beneficially impacted by this in the event that our forecasts are adversely affected by the SRs in question.
Electricity North West Limited	Electricity Networks	Yes	This modification has the potential to impact Electricity North West(dependent upon which of the options is adopted). If Option1 is implemented as currently drafted, then this gives some additional flexibility to all parties. Option2 as drafted would not impact Electricity Distributors but we note however that the SEC Change email refers additionally to Service Request 7.4 'Read Supply Status' <i>What is the proposed solution?</i> <i>This modification seeks to amend provisions for the Service Request (SR) Variance and Metrics Panel report. Specifically, it looks to ensure that the information on Users who fail to forecast their monthly demand within the 10% tolerance, as a result of the following SRs, will not be published by the Panel:</i> • SRV 2.2 'Top Up Device'; and • SRV 7.4 'Read Supply Status'. <i>Further, it also introduces a list (owned by the Panel) for which other SRs can be added (or removed) in future.</i> SR7.4 is not however referenced in the SECMP0027 modification as drafted (version 1.3). We believe SR7.4 should be included in the modification proposal and request clarification as to why this has been excluded from the consultation. If the incorrect version of the modification proposal has been distributed by the SEC change

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 6 of 20

This document is
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			board, we suggest that the modification is reissued to address both Service Requests.
Npower	Large Supplier	Neutral	No Comments to add.

SECMPO027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 7 of 20

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Question 3

Q3: Will your organisation incur any costs due to the implementation of this modification?

Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	Apart from our share of the estimated SEC implementation cost we would not incur any costs as a result of the implementation of this modification.
British Gas	Large Supplier	No	
Utilita Limited	Large Supplier	No	No direct costs will be incurred.
Northern Powergrid	Network Party	No	
Western Power Distribution	Network Party	No	
TMA Data Management Ltd	Other Party	No	
The Renewable Energy Company (Ecotricity)	Small Supplier	No	
SSE	Large Supplier	No	

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 8 of 20

This document is
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Electricity North West Limited	Electricity Networks	No	No
Npower	Large Supplier	Neutral	No Comments to add

SECMPO027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 9 of 20

This document is
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Question 4

Q4: Having considered the potential impacts and costs to your organisation, as well as the cost to deliver the modification, do you agreed that SECMP0027 should be approved?

Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	As noted above we do not believe that this modification better facilitates any of the SEC objectives, or would be in any way an improvement over the current SEC baseline. It has not been demonstrated that the current mechanisms within the SEC governance processes are sufficient to address the issue – as noted in the Draft Modification Report we believe there is a process in place (as detailed in H3.25) whereby a Party that has failed to operate within their forecasts can provide a rational and/or evidence as to why they failed to do so to the Panel. There is no evidence that the Panel would not take such extenuating circumstances into account, and that DCC Users would be unfairly treated as a result. It is also not clear that the reputational impacts that Users may face should their names be published either exist of are material – this change seems to be trying to address a problem that does not (and may not) exist. Additionally, given that the 10% tolerance applies across all Service Requests that are submitted by a User, it is not clear that exempting the specific Service Requests noted in the modification proposal would result is User not being 'named' where they would have been before. Again there is no evidence that making this change will actually result in being

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 10 of 20

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Smart Energy Code

			not being 'named' by the Panel where they might otherwise have been.
British Gas	Large Supplier	Yes	
Utilita Limited	Large Supplier	Yes	Yes we strongly consider that this modification should be approved and continue to maintain our rationale for raising the modification, namely to improve the forecasting of SRs which is currently extremely difficult to forecast months in advance where customer activity is involved.
Northern Powergrid	Network Operator	Yes	It is in the best interest of all parties concerned for this change to be approved and then implemented because this will allow the relevant parties to concentrate on making their best possible contributions to the overall national programme without having to divert resources onto avoiding SEC sanctions that arise due to circumstances beyond the control of such parties.
Western Power Distribution	Network Party	Yes	We believe that this modification should be approved as the costs are minimal and it will stop any negative fall out on Users due to circumstances that are beyond their control.
TMA Data Management Ltd	Other Party	Yes	
The Renewable Energy Company (Ecotricity)	Small Supplier	Yes	We believe that SECMP0027 should be approved due to the positive impacts it shall have. We agree with the Proposer's rationale that it's challenging to predict certain Service Requests nine months in advance. It is therefore justifiable to exclude such Service Requests from

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 11 of 20

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			supplier reporting obligations to prevent undue reputational damage in the event breaching suppliers are published. We also support the proposal which allows this exclusion list to be amended by allowing other Service Requests to be added – without the need for a full SEC change proposal. This shall ensure that this exclusion list can maintain relevance in line with the ever-changing smart climate.
SSE	Large Supplier	Yes	We support the implementation of this modification as the current arrangement risks unfairly penalising parties. This solution poses minimal impacts to parties but provides considerable benefits by reducing this risk, as well as streamlining the process for amendments to the report in future.
Electricity North West Limited	Electricity Networks	No	We believe the modification proposal would benefit from further refinement in the form of introducing de-minimis levels below which the reporting of Service Request variations are not required. This would reduce the administrative burden on parties, the DCC and the SEC Panel and would better facilitate objective C.1.1 (g). Our refinement proposals and rationale are described below. Parties are currently required to forecast Service Request volumes to within 10% of actual volumes but this is particularly problematic during the early years of SMETS2 rollout where supplier installation forecasts are not always accurate or achieved. Electricity Distributors in particular have no way to forecast the number of smart meter installations and are solely reliant on Suppliers providing accurate rollout forecasts.

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 12 of 20

This document is
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Smart Energy Code

			Suppliers currently however have no obligation to advise the split between planned SMETS1 and SMETS2 installations which makes it impossible for Electricity Distributors to provide any meaningful Service Request forecast. It is also impossible to accurately predict the number of SR 7.4 'Read Supply Status' requests that an Electricity Distributor will require in any given month as this SR is used predominantly in response to faults on the electricity network which are subject massively to the vagaries of the British weather. In terms of system scalability • a 10% margin in a service request forecast against 10,000 installed meters is a negligible value of 1,000, such small variations do not act as a trigger for a 'step change' to the DCC infrastructure and as such would not impact the efficient operation of the DSP or CSP systems. • A 10% margin in a forecast against an installed service bases of 5 million meters is 500,000 which could however impact the efficient operation of the DCC and CSP systems. Whilst installed volumes of smart meters are low then the SEC requirements are overly cumbersome and incur an administrative overhead on parties, the DCC and the SEC Panel which is not in the interests of operating an efficient service and is not a justifiable use of the consumers money (via energy charges now and in the future) which is ultimately underpinning the whole smart meter rollout. As a recent example Electricity North West has had to explain why an actual SR level of 3 (three) requests against a forecast of 0 (zero) in a given month was made. There is no arguable justification for having to explain such negligible differences between forecast and actual requests.
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SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 13 of 20

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Smart Energy Code

			We therefore propose that SECMP0027 is further modified, in addition to excluding SR2.2 'Top Up Device'. and SR7.4 'Read Supply Status' from Service Request forecasts such that an additional sliding scale is introduced relevant to the number of enrolled meters in the DCC total system: • 0-100,000 meter installations – No explanation of variation required (de-minimis applies) • 100,000 – 1,000,000 meter installations – within 50% of Forecasts • 1,000,000 – 5,000,000 meter installations – within 20 % of Forecasts > 5,000,000 meter installations – within 10% of Forecasts
Npower	Large Supplier	Yes	No Comments to add

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 14 of 20

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Question 5

Q5: Do you believe that the draft legal text changes deliver the intention of the modification?

Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Yes	We agree that the draft legal text changes deliver the intention of the modification
British Gas	Large Supplier	Yes	
Utilita Limited	Large Supplier	Yes	We have no comments on the draft legal text.
Northern Powergrid	Network Operator	Yes	Yes.
Western Power Distribution	Network Party	Yes	
TMA Data Management Ltd	Other Party	Yes	
The Renewable Energy Company (Ecotricity)	Small Supplier	Yes	
SSE	Large Supplier	Yes	

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 15 of 20

This document is
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SEC
Smart Energy Code

Electricity North West Limited	Electricity Networks	No	Refer to response to Question 4
Npower	Large Supplier	No	There is a concern that removing the SRV's as suggested. could have been applied to all SRV's. There is some uncertainty across these due to the unknown and potential volatility but we would have expected this to be commentary or caveat to support the forecast rather than a removal from the Variance Metrics. If we choose to remove one for one particular process then why would we not be expecting that other suppliers would also follow suit in future months for other SRV's to do not suit their own business needs or process too? More clarification is needed on this.

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 16 of 20

This document is
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Question 6

Q6: Do you agree with the recommended implementation date?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	Yes	Should this modification be approved, we agree with agree with the recommended implementation date.
British Gas	Large Supplier	Yes	
Utilita Limited	Large Supplier	Yes	We would like this modification to be implemented as soon as reasonably practical.
Northern Powergrid	Network Operator	Yes	If possible it would be good to implement this change earlier than the proposed date of November 2018.
Western Power Distribution	Network Party	Yes	
TMA Data Management Ltd	Other Party	Yes	
The Renewable Energy Company (Ecotricity)	Small Supplier	Yes	
SSE	Large Supplier	Yes	

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 17 of 20

This document is
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Electricity North West Limited	Electricity Networks	Yes	As this is an administrative change we recommend implementation ASAP.
Npower	Large Supplier	Yes	No Comments to add

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 18 of 20

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Question 7

Q7: Do you have any further comments on SECMP0027?			
Party Name	Party Category	Yes/No	Comments
EDF Energy	Large Supplier	No	
British Gas	Large Supplier	Yes	The working group consultation incorrectly mentions SEC mod 29 in the implementation Costs section (page 3). If this is a cut and paste error, can someone check the SECAS impact please?
Utilita Limited	Large Supplier	No	
Northern Powergrid	Network Operator	Yes	We support the implementation of a list (owned by the Panel) for which other SRs can be added (or removed) in future. This is because for the reasons outlined in our comments to Q2 it is very difficult for DNOs to forecast SR demands where we have no access to detailed Supplier forecasts for SMETS2 meters. In the future therefore DNOs may be requesting that one or more of their service requests are added to this list.
Western Power Distribution	Network Party	No	
TMA Data Management Ltd	Other Party	No	

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 19 of 20

This document is
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SEC
Smart Energy Code

The Renewable Energy Company (Ecotricity)	Small Supplier	No	
SSE	Large Supplier	No	
Electricity North West Limited	Electricity Networks	Yes	Refer to response to Question 4
Npower	Large Supplier	No	No comments to add

SECMP0027

Working Group
Consultation
Responses

DD MONTH YEAR

Version 0.1

Page 20 of 20

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