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Paper Reference:	SECP_113_2802_06
Action:	For Decisions
<u>Acronyms and Defined Terms SEC Glossary</u>	

Regulatory Changes to support 4G Communications Hub & Network Programme

1. Purpose

This paper provides Panel with a summary of a DCC consultation on SEC changes to support the DCC 4G Communication Hub and Networks Programme (CH&N). A copy of the consultation can be found [here](#). The consultation closes 15 March 2023.

The Panel is requested to note the paper and review the draft response in Annex 1.

2. Background

DCC is consulting on its view of the scope of regulatory changes to facilitate 4G CH&N. The extent of the review by DCC encompasses; Main body of SEC, SEC Subsidiary documents, SEC supporting documents and lower-level documents not managed under SEC governance, along with consideration of DCC Licence conditions.

Changes to SEC are required to support ongoing business as usual activities such as installation, maintenance and service provision of the new 4G Communication Hubs. Additionally, transitional arrangements are also being considered by DCC (management of existing Communication Hub technology alongside new 4G). This will initially be via DCC managed stakeholder workshops that will feed into conclusions document and a final “red line” legal text consultation c.Q3 2023. The Q3 consultation is expected to cover both enduring and transitional amendments to the regulatory landscape.

DCC expects that changes to SEC will be enacted by BEIS, via the Secretary of State powers (Energy Act 2008 Section 88) with amendments to subsidiary documents coordinated via DCC consultations.

3. SECAS Review

SECAS agrees with the areas that DCC has highlighted, based on our understanding of the current scope of 4G Communication Hub impacts. From an initial review we have not identified anything specifically missing at this time.

At this stage it should be recognised that the full extent of the potential changes and operational impacts is not known. For example, any change to the definition of “region” has operational consequences resulting in changes to processes underpinning deliveries, installation and Communication Hub returns

processes and management of Communication Hub faults. These and other areas all need much further consideration.

It is also not clear how DCC will be engaging the SEC Panel and Sub Committees, so that the Panel and the relevant Sub Committees are clear as to what will items be coming to them and when, in terms of information updates, review and / or require endorsement or decisions.

An opportunity appears to have been missed by not utilising the SEC Modification process for the SEC changes. Addressing these issues and changes via the SEC modification process would have provided a means to engage Parties on the scope and consider red line text changes in one place.

4. Next Steps

The Consultation closes 15 March 2023. We request that Panel provide any material comments on the draft response by 7 March 2023. We will then agree a final draft with the Panel Chair to submit to DCC.

5. Recommendation

The Panel is requested to:

- **Review** and **Approve** the draft response (Annex 1) be submitted subject to any Panel feedback received by 7 March and updates agreed with the Chair.

Tim Newton

SECAS Team

21 Feb 2023

Attachments

Annex: 1 Draft Response

Annex 1 Draft Response

Peter Davies, SEC Panel Chair
Smart Energy Code Company Limited
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London, EC3M 4AJ

DCC via email
Consultations@dcc.co.uk

[XX] March 2023

Consultation on Regulatory Changes for the Communications Hub and Network Arrangements

Dear Sir / Madam,

The Panel is pleased to provide views against the issues raised in the above consultation. The consultation asks four questions which we respond to below.

Q1. Please provide views on DCC's assessment of the scope of change set out in this consultation. Please include if you consider there are inaccuracies or where our analysis is incomplete.

The Panel believes the scope is a good start. However, the process by which the engagement on transitional and enduring regulatory changes comes together is not clear. It would be useful for DCC to set out how it is engaging Industry stakeholders and SEC governance in a plan so Panel and Sub Committees are clear as to what will be coming to them and when in terms of information updates, review and / or matters that require endorsement or decisions.

It is also unclear why the changes to SEC are not utilising the SEC Modification process. Addressing these issues and changes via the SEC modification process would have provided a means to engage Parties on the scope and consider red line text changes in one place to ultimately deliver the same outcome.

Q2. Do you consider there to be any additional changes that are required to the Main Body SEC or DCC Licence to support the enduring CH&N service? Please provide a rationale for your views.

We have not identified anything specifically at this time. At this stage it should be recognised that the full extent of the potential changes and operational impacts is not known. We would expect the detail of the operational and technical challenges to be addressed via the relevant SEC Panel Sub Committees.

An area of particular concern will be the impact to SEC Performance Measures, ensuring that 4G CH&N performance can be identified and measured appropriately, so that the expected benefits are seen. We expect the detail of this to be discussed with the Operations Sub Group over the coming months as the CH&N programme progresses.

In addition, we would expect Communication Hub faults that are determined as the result of DCC Service Provider activities to be addressed. Recent issues with the WNC Communication Hubs have highlighted a deficiency whereby Parties are visiting site to replace these and bearing the full cost of those visits. We expect that the new contracts with the 4G Communication Hub providers will address this point, through suitable provisions so that should similar issues arise, the pain is felt by the party that causes the problem.

Q3. Do you consider there to be any additional changes that are required to the SEC SSDs or DCC documents to support the enduring CH&N service? Please provide a rationale for your views.

As per our answer to Question 2 we have not identified anything specifically at this time. We would expect the detail of the operational and technical challenges to be address via the relevant SEC Panel Sub Committees, so that the groups with the expertise have an opportunity to provide input and review.

Q4. Please provide any additional comments you have on this consultation.

It should also be noted that there are impacts to SEC Party processes that mirror the SEC requirements that will also need to change in parallel. We assume the costs for SEC Party changes has been assessed in the business case for CH&N.

If you would like to discuss any elements of this response further, please do not hesitate to contact me on 020 7090 7755 or SECAS@gemserv.com

Yours Faithfully,



Peter Davies
SEC Panel Chair