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DP218 ‘Review of the SEC Charging Methodology’

Request for information responses

About this document

This document contains the full non-confidential collated responses to the DP218 request for information.

Question 1: Does the current approach of the costs for using the DCC Systems being incurred under Fixed Charges impact you?

Question 1			
Respondent	Category	Response	Rationale
Alt HAN Co	Other SEC Party	No	N/A
George Wilson Industries Ltd	Other SEC Party	-	-
Scottish and Southern Electricity Networks	Networks Party	Yes	As a network party, we are currently charged for access to use the DCC communication services.
UK Power Networks	Networks Party	Yes	As an Electricity Distributor, UK Power Networks together with other Electricity Distributors are currently responsible for 6% of the overall DCC fixed charges. Suppliers are responsible for the remaining 94% of the DCC fixed charges.
Northern Powergrid Metering Limited	Other SEC Party	Yes	(Confidential Rationale)
IMServ Europe Ltd (IMS001)	Other SEC Party	No	As an Other DCC User IMServ Europe Ltd are not currently subject to the costs associated with delivering communications services via a Fixed Charge.
Electricity North West Limited	Networks Party	Yes	As an Electricity Distributor we pay fixed charges based on the SEC charging methodology for the G4 Charging Group. This results in all Electricity Distributors collectively paying approximately 6% towards DCC costs. This includes our paying collectively towards the shared fixed costs for: DCC internal

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Question 1			
Respondent	Category	Response	Rationale
			costs, DCC external costs, DCC pass-through costs (SECCo Ltd and the Authority), baseline margin, external contract gain share and prudent estimate. Consequently, as an Electricity Distributor we (along with Suppliers) are also paying a share of DCC costs for communications services (sending of service requests), administration services for SECAS and implementation costs for SEC modifications which are being accessed by the SEC Other User category but for which they are not charged. We are also pay towards the DCC and SECAS implement costs for new modification to the SEC which may have been raised or benefit Other Users but for which they are not charged. Whilst our DCC costs are pass through we have a duty to ensure we run our business efficiently and effectively as possible for our customers as the DCC costs we pay matters. As such we seek for overall value for money from the DCC central delivery service.
Stark	Other SEC Party (OU & RSA)	No	As a DCC OU and RSA we currently do not incur any fixed charges. Our current use of the DCC Systems in these roles is minimal.
Calvin Asset Management Limited	Other SEC Party	No	We are not within any of the groups who are currently subject to fixed charges.
OVO	Large Supplier	Yes	As a Large Supplier we incur a representative proportion of the 94% of Fixed Charges for DCC Services.
Horizon Energy Infrastructure	Other SEC Party	No	We are an Other User of DCC and aren't a user of DCC services so we're not charged.
National Grid Electricity Distribution	Networks Party	Yes	As a Distribution Network Operator we pay Fixed Charges and therefore, depending on what the change is could be impacted, either negatively or positively.

Question 1			
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Smart Meter Assets 1 Limited	Other SEC Party	No	We are not a DCC User.
Secure Meters	Other SEC Party	No	-
Trust Power	Non-SEC Party	Yes	The current approach of charging under Fixed Charges has enabled Trust Power to develop and launch our smart meter app, called Loop. This app is provided free to consumers. (Additional confidential rationale provided). Importantly, Loop has proven valuable to users and led to a 16% reduction in electricity use and 10% fall in gas use across our user base. We know that other third-party apps are achieving successes of similar orders of magnitude across both efficiency and electrification. Both crucial on our journey to net-zero. The current model for funding the DCC, being paid for via Fixed Charges, reduces barriers to entry for innovative firms that wish to use the smart meter system. Because we can access the data, it has enabled us to develop our app. That has benefitted the wider ecosystem as well as the consumers we all serve. There are still, however, significant barriers to entry. These range from security and authorisation through to a need to learn specific behaviours of the DCC that are atypical of a modern software stack (e.g. high proportion of failed requests, slow responses, significant downtime) and building products

Question 1			
Respondent	Category	Response	Rationale
			that hide these from customers. Any change to the current charging model would raise these barriers further. Given the benefits already created by innovators entering the space, we believe that the focus for any changes should be on how to enable more innovation, not on adding costs that would raise a major barrier to entry for companies like us to develop new services. These changes should include, but are not limited to, improving DCC uptime, reducing the volume of failed requests, upgrading defective firmware, and reducing the complexity of working with the DCC. These kinds of changes would enable us to provide a better user experience to existing and new users, and build our confidence in the future success of the DCC, as well as delivering better value and customer experience to the end user. There are two other reasons why we believe that changing the current charging mechanism would be ill-advised. First, with Russia's invasion of Ukraine leading to a sharp rise in energy prices in the UK, we do not believe this would be the right time to impose new costs on innovators who provide vital advice to consumers or businesses who wish to reduce their energy costs. Second, we believe that, as the Government has made a commitment to decarbonising the UK economy, it would be the wrong time to introduce a charge that would reduce the ability of consumers or businesses to reduce their own carbon emissions.
CMAF members	Other SEC Party (Other Users)	No	-
Macquarie Leasing Limited	Other SEC Party	No	-

Question 1			
Respondent	Category	Response	Rationale
Northern Powergrid	Networks Party	Yes	Northern Powergrid is an electricity distributor and as a Network Party we have one of the five DCC User roles where these fixed costs are apportioned in accordance with SEC Section K3.10: Fixed Charges include SECAS costs and modification implementation costs. Fixed Charges also currently include costs for communications services. Northern Powergrid also pays Explicit Charges, which are calculated in line with SEC Section K7, which allow the DCC to closely reflect the charges it pays to: • the DCC Service Providers in respect of certain services; • to SECCo in respect of certain Recoverable Costs; and • to the Alt HAN Company (AltHANCo) in respect of the Alt HAN Costs. Northern Powergrid agrees with the principle that cost reflective charging is important and if any user of the DCC services imposes cost and (presumably derives a benefit) then a cost reflective charge must be imposed on that user. This is necessary to avoid DCC Users, who are obligated to pay fixed charges, being penalised for work they haven't requested and won't benefit from. Northern Powergrid believes that it is important that all users of the DCC pay their fair share of the costs they impose on the DCC. Northern Powergrid would expect that any changes, or additional services, being requested via the SEC Modification process would seek to identify beneficiaries during the evaluation stage so that any changes to the cost recovery mechanism to ensure continued cost reflectivity are identified as part of the Modification. Having reviewed Annex A - DP218 Assessment of mods impacting or raised by OSPs v0.1, it is clear that the technical contributions made by Other SEC Parties during the Modification process are extremely valuable to all DCC Users. Any change to the charging methodology must ensure the quality of the whole DCC system is not compromised, i.e. expert insight and input to device testing, management and oversight is ensured.
Hugo Technologies Limited	Other SEC Party	-	-

Question 1			
Respondent	Category	Response	Rationale
Landis+Gyr	Other SEC Party	No	L+G are not a DCC User.
EDF	Large Supplier	(Confidential Response)	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	Yes	Chameleon uses DCC communication services via an adaptor service provided by SmartPear. Chameleon offers consumers options to better interact with their energy data via our consumer-facing brand – ivie – which lets consumers download a free app where they will receive insights and personalised guidance on reducing their energy consumption and carbon footprint. The current charging position has enabled Chameleon to invest significant sums of its own money to bring these free consumer benefits to anyone with a suitable smart meter.
Smart DCC	DCC	Largely not impacted	DCC operates in a unique position under SEC Governance as the sole service provider for smart metering services governed under the SEC. Whilst undertaking this role, DCC is also a SEC Party and a SEC Panel member, and it is broadly in this context that we have contributed to this request for information. For Question 1 however, we have considered the impacts to DCC through the narrower lens as service provider for smart metering services. DCC is largely not impacted by the way costs for using DCC Systems are allocated across the Fixed Charges. The fundamental principles of the SEC (e.g., the second General SEC objective and the provisions in Sections J and K) mean that DCC is able to recover its costs irrespective of the way charges for those costs are allocated across different SEC Parties and DCC Users. However, it is important to note that the DCC systems are finite in their capacity, and DCC considers it important that network demand is managed economically, efficiently, and in a way that is equitable to all DCC Users so that service continuity is preserved. Where the allocation of charges across DCC Users incentives use in a way that threatens the ability of DCC to manage its network effectively for the benefit of all its users, it is right to consider whether changes to charging (or other changes to network capacity management or data caching) may reduce this risk.

Question 1			
Respondent	Category	Response	Rationale
Energy and Utilities Alliance (EUA)	Other SEC Party	No	N/A
Utilita Energy Ltd	Large Supplier	Yes	As a Large Supplier we are included in K3.10 as one of the five Charging Groups currently required to pay Fixed Charges. We believe that usage charges must be reviewed to ensure they are equitable. Use of the system has to date largely been limited to Supplier and Network Users – future usage patterns could potentially be very different. Now seems to be a sensible time to review future potential usage scenarios and ensure charging arrangements are fair.
Hildebrand Technology Limited	Other SEC Party	No	-
British Gas	Large Supplier	Yes	We pay currently (through the Fixed Charge) and would also pay (on Transactional Charges) if there was a change to transactional charging.
SMS PLC	Other SEC Party	No	-

Question 2: Do you believe there is an industry benefit for transactional charging to be developed further?

Question 2			
Respondent	Category	Response	Rationale
Alt HAN Co	Other SEC Party	-	-
George Wilson Industries Ltd	Other SEC Party	-	-
Scottish and Southern Electricity Networks	Networks Party	No	Due to the inconsistent successfulness of communicating with smart meters, often multiple attempts need to be made to a device to apply or retrieve the necessary information. We believe that moving to a transactional charging method would mean that users are unnecessarily charged in scenarios where they cannot successfully speak to a device in which the issue is outside of their control. As a network party, we also use the DCC service to check the status of the supply numerous times during the lifecycle of a DNO network fault to understand the status of restoration. This would negatively impact DNO's in this scenario.
UK Power Networks	Networks Party	No	We do not believe there will be an industry benefit for Transactional Charging methodology to be developed further because a methodology is already available to the DCC for levying transactional charges to registered users. We outline in our response to questions 6 and 7, how a charging methodology for "Other Users" could be developed.
Northern Powergrid Metering Limited	Other SEC Party	Yes, but only if the business	Transactional charges encourage DCC users to be efficient with their communications. If Transactional Charging is activated under the SEC, it could support capacity management of the DCC's network. Managing the DCC network in a way that reduces peaks of messages at certain times can lead to it being run more economically. Rather than setting a single rate for usage of the DCC's

Question 2			
Respondent	Category	Response	Rationale
		case is net positive	network, the DCC could charge different costs for 'peak' and 'off-peak' times and/or for scheduled and on-demand usage of the network. If this is taken forward, there will be costs associated with the change which will be charged to DCC Users. However we would only recommend a move to transactional charges if the cost of implementing such a system (including the administration of all participants, systems costs and central system change costs) deliver additional benefits that outweighs the cost.
IMServ Europe Ltd (IMS001)	Other SEC Party	Yes	We believe that there is benefit in reviewing the current charging methodology, without agreeing that it is the right thing to implement transactional charging. With increased usage across the DCC network, a review of potentially moving to transactional charging might provide insight on when service requests are scheduled to make use of the network more efficiently as traffic increases, with a view to usage increasing further when the MDR role comes into play. As an Other User / RSA there will be an impact on IMServ. Costs for the sending of Service Requests on a transactional basis will be incurred for the first time and we will need to consider the effects of these additional costs and how they feed into our business processes and how we either absorb them or re-coup them from our suppliers.
Electricity North West Limited	Networks Party	No	Transactional charging could act as a disincentive to some parties and could result in their using the DCC network less. This could have a knock on impact to overall use of devices and harm Ofgem's drive for net zero carbon. However, if this option was explored further, any SEC charging methodology should be based on a service we ask for or which helps our customers. As such it should be based the service requests not the alerts – as we have no responsibility for devices installed in consumer premises. We receive tens of thousands of unsolicited alerts over the DCC network due to incorrect firmware and other reasons. Any transactional charges should be based on the service request which the DCC having successfully fulfilled within their mandated SEC timescales.

Question 2			
Respondent	Category	Response	Rationale
Stark	Other SEC Party (OU & RSA)	Yes	The Fixed Charge approach for use of DCC System was appropriate whilst the DCC was being established and the initial phase of the Smart meter roll-out but no longer remains appropriate. Fixed Charging does not incentivise efficient use of the infrastructure, which will be problematic with the increased volume of traffic under MHHS. We would therefore support the development of transactional charging for all DCC users, so long as the charges were proportional to time of use, volume of service requests and type of service requests. As an explicit charging facility is already currently available, initially it would seem more appropriate to utilise this facility to incorporate these transactional charges. Any introduction of transactional charging for service requests/communications should be accompanied by a corresponding reduction in Fixed Charges for the charging groups that receive them.
Calvin Asset Management Limited	Other SEC Party	Potentially	Whilst we are not impacted by fixed or transactional charging, we have submitted a response as we believe that all users of the DCC systems and those who benefit from the data should be charged. This needs to be on a fair, proportionate and consistent basis, and applied to all relevant parties now and in the future. MAPs are interested in the DCC's data and having access to the data, but currently we are not Other DCC Users and therefore we do not have to pay. If this were to change and we were allowed access to the data (though this would not be to send SRs), we would entertain discussions around paying a proportional amount for this aspect. We acknowledge that to implement this within the DCC is likely to take time and may have a significant cost, where the overall outcome may not benefit whilst driving further cost to parties and eventually energy consumers.

Question 2			
Respondent	Category	Response	Rationale
OVO	Large Supplier	Yes	We believe there should an equitable distribution of charges based on the use of the system and that it is not charged to only certain Parties while others bear no costs for access and use. This should factor the impacts of the overall demand of the DCC ecosystem end to end and where the costs for its use cause problems to the Core services as set out in the DCC Licence.
Horizon Energy Infrastructure	Other SEC Party	-	The case for transactional charging should be considered against data. Where are the DCC's costs being incurred and who is using the service? There is not enough information presented here to suggest a change in DCC charging. However, this could be an area of further investigation to see if there is a case.
National Grid Electricity Distribution	Networks Party	-	Whilst we understand the proposal of transactional charges, we have a few questions and concerns. There would need to be careful consideration regarding if a Service Request fails and has to be re-sent would the charge be duplicated? We note that the current SEC wording allows the DCC to charge DCC Users for each transaction via the Communications Services Explicit Charge. We believe that this option was discussed previously in the very beginning of the smart programme and it was decided that it was not viable, therefore we would like to fully understand the reasons for that decision and whether anything has changed to alter this view.
Smart Meter Assets 1 Limited	Other SEC Party	Yes	In principle we agree that a user (and, more pertinently) the beneficiary of a service should pay. Transactional charging would align with this "user pays" principle. If entities are using DCC services as inputs to one or more of their services (i.e. to generate revenue), this input should not be free of charge. However, as stated above, if charging DCC Users transactionally "will likely not need a modification" (as highlighted in red) one wonders why this RFI is needed.
Secure Meters	Other SEC Party	No	-

Question 2			
Respondent	Category	Response	Rationale
Trust Power	Non-SEC Party	No	This will be a significant distraction to the DCC, the energy industry and innovators that depend on low-cost access to smart data. It is the energy customer that ultimately supports all costs of the system. This is in the same way that it is the energy customer that ultimately supports all costs of National Grid and the DNOs. Importantly, as the end customer has already paid for their data, being asked to pay again for their own data will have a detrimental impact on engagement and sentiment around the already-contentious area of smart meters. We have built a product that proves the benefit of making it easy for households to engage with their energy use and to take steps to reduce their energy costs. Loop's customers have achieved a 16% reduction in electricity usage and 10% reduction in gas usage. This equates to a reduction of 250kg CO2e per household. As well as giving our customers information that enables them to reduce energy costs immediately, part of what Loop offers is personal, tailored advice on how to reduce their carbon emissions through solar panel and home storage installation, improved insulation, the electrification of heat and adoption of electric vehicles. Customers are also rewarded through our Turn Down and Save campaign when they reduce their use during peak periods. In fact, not only would there be no benefit, it would impose an additional and significant cost to our business that we would then need to recover in some ways from our customers. The smart meter initiative was originally envisaged as a way to reduce both energy costs and household emissions. We have built a product that uses smart meter data in a way to help consumers do just that as easily as possible. Any move to a different charging regime that imposed costs on those extracting the data would have an immediate and damaging impact on our Loop business. As we do not charge customers to use our app currently, we would have to find a new way to meet these new, additional costs of accessing the smart meter data. The viability of our current business model will be significantly challenged by introducing such new charges. One option we would need to consider would be to impose some kind

		of subscription charge on those using the app that would immediately change our addressable market and severely limit the number of households able to access the direct cost saving benefits and longer term carbon-reduction benefits of using Loop. Our Loop app currently enables our customers to ‘refresh’ their feed enabling them to see the most recent energy data that we can access. It is not currently possible to support a ‘live experience’ for smart meter data received via the DCC. But we have put huge efforts into making this experience as close as possible to the kind of live service that exists in other sectors, like health and financial services. Why does access to fresh data matter? ‘If you can see your energy use, you are better able to control it’. This ‘feedback effect’ is one of the key benefits attributed to smart meters. The reality is that many households are already denied access to this due to missing, broken or malfunctioning in-home displays. The data we provide is already driving behaviour change despite the current infrastructure limiting the freshness of that data. However we previously sold domestic energy monitoring hardware that gave users access to 10-second data. We know from that experience that by having instantly-accessible data, consumers have greater scope to engage with and make further changes in their energy use. We believe that, rather than seek to impose transactional charges that will be time-consuming to implement and which would increase the costs of providing actionable recent data, it would be better for DCC to concentrate on how to improve their existing service. Part of those changes should concentrate on how to enable the customer experience and freshness of data to match that available in comparable sectors such as banking or health. We also believe that the costs to implement a transactional charging scheme will be significant and may even exceed the likely revenue raised. It appears that part of the rationale for considering transactional charging are genuine concerns about network capacity. We believe that, rather than spending time and money developing a transactional charging scheme, DCC should concentrate on using innovation to expand the capacity of the system and improve reliability. We expect significant growth in demands on the smart meter network over the next few years as innovators seek to use the data to provide more services to consumers. Introducing
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Question 2			
Respondent	Category	Response	Rationale
			new charges that might make it uneconomic for those innovative third party systems would be counterproductive. The ambition should be to replicate the success and impact of Open Banking - provide reliable access and let the market decide which value-add products can be built on top of easily-accessible data that the customer already owns/has already paid for. In addition, one of the problems with the existing DCC service is that there are a significant number of “failed transactions” that then lead to a high number of additional requests for the network. This is because failed transactions lead to requests being repeated, and, due to knowledge that specific meter types will not respond to requests for larger data sets, many smaller requests being made instead of a single request. We believe that, while this problem exists, it would be practically impossible to introduce fair transactional charging. If, in order to get historic data out of a meter set, the requests need to be broken down into many shorter requests, we believe there would be constant disputes about who should pay for these additional transactions.
CMAF members	Other SEC Party (Other Users)	No	The current solution for Explicit Charging works well for Other SEC Parties such that if a Modification is raised and implemented, the associated cost is covered by an explicit charge to the appropriate parties and thus does not financially burden unrelated SEC members; as per MP181. If a new charging structure were introduced where parties not benefitting from a modification were invoiced then SEC membership cost benefit analysis would likely be reviewed. This would be a shame given the involvement and benefits MAPs have brought to SEC working groups, such as SCIRS.
Macquarie Leasing Limited	Other SEC Party	No	The current solution for Explicit Charging works well for Other SEC Parties such that if a Modification is raised and implemented, the associated cost is covered by a explicit charge to the appropriate parties and thus does not financially burden unrelated SEC members; as per MP181.

Question 2			
Respondent	Category	Response	Rationale
			If a new charging structure were introduced where parties not involved in, nor benefitting from, a modification were invoiced then our SEC membership cost benefit analysis would need revisiting to understand if it would be worthwhile remaining a SEC member.
Northern Powergrid	Networks Party	No	Northern Powergrid has reservations about a move to transactional charging because we believe it would be costly to develop, deliver and oversee. Whilst we understand there maybe benefits of moving to a more transactional charging basis, the DCC must satisfy itself that benefits outweigh the costs for all users. The management overhead of implementing a transactional billing system with appropriate governance would increase the overall costs of the DCC service. The DCC has not set out the costs or benefits of a transactional billing system therefore it is not possible to comment on whether this would be appropriate. We would recommend that the DCC undertakes this piece of work so that industry parties are able to make informed comment. However, Northern Powergrid would support the 'Other User' category being added to the list of DCC User roles so that they contribute to these fixed costs as apportioned by the methodology. Northern Powergrid would also support a review of charges so that a user's requirement to pay was proportioned in line with the quality of service being delivered by the DCC, i.e. for the CSP North fixed charges to be lower than CSP South and Central fixed charges and for the completeness of the roll out with an adjustment of fixed charges to be based on meter functionality rather than total number of enrolled meters, i.e. percentage of SMETS1, SMETS2 and non-DCC managed meters. Northern Powergrid would strongly endorse that all DCC Users imposing costs on the DCC should pay for the services being accessed. A cost reflective charge does not necessary need to be on a transactional basis. If transactional charging is activated under the SEC, it could support capacity management of the DCC's network. Managing the DCC network in a way that reduces peaks of messages at certain times and can lead to the system being operated more economically. Rather than setting a single rate for usage of the DCC's network, the DCC could charge different costs for 'peak' and 'off-peak' times and/or for scheduled and on-demand usage of the network. If this is taken forward, there will be costs associated with the change which will be charged to DCC Users.

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Question 2			
Respondent	Category	Response	Rationale
Hugo Technologies Limited	Other SEC Party	-	-
Landis+Gyr	Other SEC Party	N/A	This is a debate between affected parties that is not appropriate for L+G to comment on. To do so might skew the argument, given the number of 'Other SEC parties'.
EDF	Large Supplier	(Confidential Response)	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	Potentially Yes	We believe that introducing transactional charging across the entire range of potential transactions/service requests would have the result of stifling innovation and lead to a slowdown in the innovative and valuable services being offered by non-traditional organisations (i.e. non-Suppliers) to the GB consumer. We do believe that transactional charging could be used to influence best practice in innovation and product development and also protect the DCC infrastructure whilst not restricting the drive for better consumer engagement with their energy habits
Smart DCC	DCC	Yes	We support further analysis of changes to transactional charges being developed as it has the potential to deliver efficiencies in how DCC manages its network by incentivising use of the network at different times (we discuss this further in our response to question 3). We note however that it is likely that DCC will need to amend its billing systems, and it may be the case that DCC Users need to change payment systems/processes correspondingly, to manage increased complexity of billing arrangements that arise from transactional charging. The costs of any changes (to DCC and DCC User systems and processes must be assessed against the potential benefits of introducing transactional charges, and it is important to consider these in the context of other DCC costs. As we explain in our Charging Statement, historically we have decided to recover transactional cost via the Fixed Charge as we considered that this would be more economic and efficient. This is because:

Question 2			
Respondent	Category	Response	Rationale
			total cost of Service Requests is approximately 0.2% of total External Costs; it has been less costly and complex for the billing system to recover this cost through Fixed Charges.
Energy and Utilities Alliance (EUA)	Other SEC Party	N/A - See Rational	It should be noted that EUA is a trade body and are responding to this RFI on its own behalf as an 'Other SEC Party' i.e. not as a 'DCC User'. We have assumed that this question does not apply to EUA i.e. not a potentially affected party. If this is not the case please confirm and we would be happy to discuss further. In the meantime with the points mentioned in mind, we believe that it should be within the remit of potentially affected parties to reply with their own rational. We do note however that, as described in the questions and context section above, DCC already have the ability to switch to transactional charging and would likely not need a modification, as a charging method within the SEC already exists?
Utilita Energy Ltd	Large Supplier	Yes	We believe there should be further development into proposals for transactional charging. Note that we are not necessarily agreeing to the implementation of transactional charging at this point. We believe the first step should be to agree a statement of the issue we are seeking to tackle. In our opinion, industry is now entering a new phase of potential usage of the DCC's network. Up until now, usage of the system has largely been limited to Supplier and Network Users. Parties other than these are now beginning to use the system for their own purposes – this is a positive thing and indeed a key objective of the smart metering programme. This does however raise the question of equitable charging. Our main concern is around future usage – to date charging discussions have been simplified by the limited number of users. We must now investigate and interrogate the charging mechanisms to ensure those who benefit from usage are charged and that no cross-subsidisation occurs between separate private businesses.

Question 2			
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Hildebrand Technology Limited	Other SEC Party	No	1. If all OUs are charged for all SRs or all non-scheduled SRs some consumers will therefore be charged 2, 3 or even 4 times for DCC access. Whereas the RFI acknowledges the point that the transmission cost could be repeated multiple times it fails to acknowledge that with charging, the consumer could be charged multiple times whereas today they are charged once when as part of their energy bill. 2. A fundamental tenet of DCC is the consumption data is owned by the Consumer and they should have access to it – this will put a barrier to consumers getting their information that they are paying for to inform energy saving strategies. 3. Consumers are likely to distrust the smart metering roll-out and further distrust their suppliers and regulators if the charging system appears to be charging more than once for what the consumer would believe to be the same data access. It will be impossible to explain the technical reasons to a consumer as to why the bandwidth needs to be duplicated – no other service that they commonly use works this way. 4. OUs come in many forms and these roles and their requirements of the system need to be better understood (see our response to Question 5). Some examples: a. Deal directly with consumers b. Deal with consumers via their suppliers c. Inform industry flow data We do not agree that all the above are equal and nor should they be treated equally under this SECMOD. If the proposed DCC data cache project (Smart Meter Energy Data Repository Programme (SMEDR)) comes to fruition the whole process of charging because of rising traffic on the WAN becomes moot. It is our view that given the finite capacity of the DCC infrastructure a better use of time and money is to build the SMEDR.

Question 2			
Respondent	Category	Response	Rationale
			Total SRV costs are 0.2% of all DCC costs according to a participant at the RFI Q&A session (17:30 Tom) - the proposed approach seems like a sledgehammer to crack an insignificant nut. Building the billing system required to allocate charges will cost more than that we expect based on the history of past SecMods. Administering the charging structure will also incur new costs. In order to understand the issues we need a breakdown of the numbers of SR by category of DCC party by on demand and scheduled. Commercially, whether or not an SR is charged for, if one of our customers wants that SR to be made we will have to make it at the time requested - and then build our own more complex billing structures to manage different request times and volumes. Practically, how will charging per SR account for failures to get a response, or indeed failure to get data even if a valid response is received. Presumably, at that point the DCC will need to offer some form of SLA because our own customers would demand an SLA of us if they are being charged in the proposed manner. As another example, as an OU the ONLY way to tell if a tariff has been changed by the supplier is to check every day with the meter. SR4.11 is not capable of being scheduled so would be classified as an on demand request. If we as an OU are charged for SR we will have to close our free service to allow consumers to retrieve their consumption data (see further discussion on this point in Question 5). For our commercial services it will not change our behaviour or use of DCC one iota – just increase the cost to our customers as: 1. We will have to account to each customer and re charge

Question 2			
Respondent	Category	Response	Rationale
			2. We will have to write internal auditing system as we would not and could not trust the DCC to account for this correctly. “The PFCG identified that Other Users have access to DCC Services but are not charged for these, as the Other User is not recognised as a Charging Group in SEC Section K3.10.” It is worth noting that the entities currently charged for access to services are *always* charging in turn for their services, whereas not all OU roles are charging. For example, Hildebrand provide any domestic energy consumer with DCC enrolled meters with free access to their data via Bright, APIs and MQTT - thereby benefiting the consumer but not commercially benefiting. Question 2 talks about industry benefit but there is almost no mention of consumer benefit (or energy consumers at all) in the documentation related to this RFI. Part of the intention of the role of the OU was to support the ability to deliver consumer benefits beyond their Energy Supplier and yet consumers are mentioned once, within the document DP218 Modification Report v0.2.pdf which states: Impact on consumers Greater transparency of charges and fairer distribution of costs among SEC Parties should not have a direct impact on consumers, however it may improve transparency on how charges are apportioned and ultimately paid by consumers. The statement that ‘fairer distribution of costs should not have a direct impact on consumers’ is not correct in our view. The document neglects to point out that the implications of the proposed change could mean that free services could no longer be provided to consumers by Other Users - either applications would need to be charged for, or consumers data or information would have to be sold.
British Gas	Large Supplier	No	We presume the introduction of a ‘pure’ transactional charging framework would be complex, but from an invoicing perspective, and from a verification perspective (ie for DCC users to confirm they agree with the invoiced volumes, and turn around payment, within the required [5 working days] time frame. This seems a lot of complexity to work out how to allocate the < £1m/year costs between users.

Question 2			
Respondent	Category	Response	Rationale
			We would support a simpler approach, if say the DCC forecast what usage it expected from each party at the start of the year (or retrospectively at the end of the year), and split the overall < £1m/year figure on that basis. This could also give different weighting to peak/off-peak, etc. The transactional usage could also feed into the split of Fixed charges.
SMS PLC	Other SEC Party	No	The DCC was established to create an ecosystem in which energy data becomes digitally available, the use of the DCC varies and will continue to vary. The Ecosystem established is the foundation for the future energy system, of which DCC becomes the digital spine. Even though this “digital spine” is still new and developing, it is enabling innovators to use the ecosystem as a platform to support solutions that drive the country to net zero and improve competition in the sector. Furthermore the roll out of smart is still incomplete and serious challenges exist within its operation; including defective firmware and the ecosystems current inability to update this, network reliability, communication losses, disconnects and much more. The evolution of the networks is still in progress and changing the mechanisms in which it operates during this growth would potentially be catastrophic to both innovation, decarbonisation and competition across the energy ecosystem. The DCC and industry needs to instead focus on the ecosystem and digital spine it is building, by improving performance and scale. The end goals could still be achieved. One other concern of a transactional model would be the financial repercussions and liability of an ecosystem underperforming, per transaction. A paid, transactional service can only be successful with the highest performance and control over accountability. For example, an Other User unable to perform transactional service requests due to the meter set being in installed not commissioned, or on firmware versions not sufficiently complaint to GBCS or with defects. Finally, the adoption of transaction model would add complexity to the DCC, requiring additional back-end automation and processes to operationalise and manage the transactional charging and billing, including disputes and corrections. This challenge alone would likely cost more than the current cost of transactions.

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Question 3: Should transactional charging charge different costs for peak and off-peak times and/or for scheduled and on-demand usage?

Question 3			
Respondent	Category	Response	Rationale
Alt HAN Co	Other SEC Party	-	-
George Wilson Industries Ltd	Other SEC Party	-	-
Scottish and Southern Electricity Networks	Networks Party	No	As noted in question 2, as one of the benefits for DNO's is the use of a 7.4 to understand the supply state of a customer premise. This is driven reactively to faults on the network. If a large network fault occurred during peak times. This again would negatively impact DNO's.
UK Power Networks	Networks Party	No	As a Network Party we provide a service to consumers on a continuous basis operating 24/7 every day of the year. We therefore do not believe there should be any differentiation of costs based on time of day and on-demand activities because this may result in determining how businesses such as Network Parties operate influenced through external factors such as the DCC.
Northern Powergrid Metering Limited	Other SEC Party	Yes, but only if the business case is net positive	To truly benefit the most from this, Suppliers/DNOs should have a fixed cost for the full 24hours and a period of time that is collectively the preferred time and RSAs and Other Users should incur higher costs to send messages during that period of time. This could be proportional to messages sent. This will ensure that a process is in place to incentivise Other Users and RSAs to minimise their impact on Supplier/DNO operations as well as encourage them to be efficient with the number of messages sent.

Question 3

Respondent	Category	Response	Rationale
IMServ Europe Ltd (IMS001)	Other SEC Party	Yes	It would make sense to look at different charging costs dependant on times and whether the usage is scheduled or on-demand. Thought would need to be put into the timings and classifications for “peak” and “off-peak” to understand the impacts on our business. IMServ’s usage of SR’s would fall into both scheduled and on-demand dependant on the role. As an RSA the majority of the SR’s we send are on-demand to support our suppliers in the fieldwork we undertake on their behalf – there is no logical way around this so while understanding that it could support capacity management, we would not want to be penalised for usage of those SR’s which have to be completed on an on-demand basis. IMServ would have to undertake a review of how our current business process and contracts to understand the impacts of the implementation of transactional charges and the potential for these charges to be different based on times and scheduling.
Electricity North West Limited	Networks Party	No	Other comparable communication services do not charge different rates for peak and off-peak (i.e. mobile or broadband). A clear rationale should be made if this approach is explored further.
Stark	Other SEC Party (OU & RSA)	Yes	We expect that such an approach would incentivise more efficient use of the DCC System and support capacity management. As we intend to become an MDR in the MHHS market, we consider that there would be benefits to having different charges for scheduled & on-demand usage as well as peak and off-peak. The degree of user control over whether their request falls into peak or off-peak may be an additional consideration – should the charge be lower if use of off-peak is voluntary or involuntary? This would support elective charging and changing market and potentially control the use of ad-hoc messaging. Similarly, treatment of failed requests would need to be explored further – this could depend on the reason for failure.
Calvin Asset Management Limited	Other SEC Party	-	-

Question 3			
Respondent	Category	Response	Rationale
OVO	Large Supplier	Yes	This would only be worth progressing if there are material costs being generated by usage during peak and off peak and the impact to the overall DCC demand caused by scheduled and on-demand commands. We have experienced operational issues due to demand not being able to cope with certain on demand commands during certain activities. It must be noted that costs for us to the DCC are incurred by us depending on if it's northbound or southbound.
Horizon Energy Infrastructure	Other SEC Party	-	There is no information in the supporting documents to suggest this is required. Again, more data is required – does the volume of traffic at certain times add costs to DCC that could be avoided. This again is an area worthy of investigation based on the usage of DCC systems and the costs of that usage. Also could the system be optimised by doing this?
National Grid Electricity Distribution	Networks Party	-	If it was agreed that transactional charging should be considered, then this would require a lot of thought. Whilst there are some arguments for differing charges for peak and off-peak and scheduled and on-demand, to help encourage User behaviour, charging should not be used as a means to manage traffic. There would also need to be consideration regarding failed Service Requests, especially if they were initiated at a lower transactional charge, i.e. scheduled, but then need to be sent on demand to meet a business need.
Smart Meter Assets 1 Limited	Other SEC Party	Yes	While we have already stated that we are not a DCC User it would seem a sensible practice to differentiate charging to reflect the differential in cost or to manage volume (by smoothing demand). This principle is widely used in many industries and seems transferable to this scenario. Without a differentiated price structure users are not incentivised to consider the impact on the DCC system and other users of the service.
Secure Meters	Other SEC Party	N/A	-

Question 3			
Respondent	Category	Response	Rationale
Trust Power	Non-SEC Party	No	We are at a nascent stage of the smart meter network. Although volumes are growing, we expect significant growth in volumes of requests as user engagement with their energy data increases. We believe that the DCC should focus on ensuring that the network can handle higher numbers of requests rather than a complex transactional charging scheme. We already work closely with the DCC to ensure our use of the service minimises the impact on their system, for example by reducing our requests whilst tariffs updates are being propagated. If there are genuine concerns about network capacity, the DCC is better employed focusing on growing that capacity and improving reliability. The notion that we can solve capacity constraints through financial incentives at this point in the evolution is misplaced. It may be true once we get to steady state, but currently we are looking at a period of strong growth in request volume. Increasing network capacity should be the target, not artificially constraining demand through additional charges to protect the current network capacity.
CMAF members	Other SEC Party (Other Users)	N/A	-
Macquarie Leasing Limited	Other SEC Party	No	Macquarie has no comments
Northern Powergrid	Networks Party	No	Charging different transactional rates based on transaction time and transaction volume would add significantly to the complexity of a transactional billing engine and increase costs unnecessarily. For example, the potential to debate costs for failed service requests and the overhead and bureaucracy that this might incur. This method of “peak-pricing” is undertaken in markets where there is elasticity of demand. It is not clear that there would be demand elasticity or whether indeed certain user groups would be able to control the timing of their messages. Further work should be undertaken by the DCC to allow industry parties to comment further.

Question 3			
Respondent	Category	Response	Rationale
			Asking DCC Users to manage capacity on behalf of the DCC in this way could introduce unintended consequences for customer service to DCC Users and have a negative impact on consumer experience for smart metering households, i.e. timescales to install meters could extend, delays in setting up new tariffs or customers being able to change supplier. High volumes of protected 'critical' demands or DCC User business models could result in this approach having little impact. Given the current DCC performance issues particularly impacting CSP North and the service response failure rates, Northern Powergrid has concerns over the ability for the DCC services to deliver 'Value for Money', particularly if there charges rise. Should charges increase Northern Powergrid would be seeking opportunities to adjust licence obligations with relation to utilising DCC services. Investment to increase network capacity is to be expected, as usage and the smart metering roll-out progresses. Constraining demand at this stage in the programme demonstrates poor management and planning. Northern Powergrid does not support allowing any DCC User group access to DCC services without making a fair contribution towards the costs the DCC incur providing those services. We would strongly advocate that allocation of charges should be proportionate based on DCC service performance, customer numbers and meter functionality. Other options, including non-commercial approaches, for managing network capacity need to be explored. DCC need to be more transparent about the service performance, usage and constraints. For example, publication of a long, medium and short term traffic management plan with red, amber, green indicators including time of day and real time status may encourage DCC Users to behave in a way that aids the DCC and enables DCC Users to see better system performance.
Hugo Technologies Limited	Other SEC Party	-	-
Landis+Gyr	Other SEC Party	N/A	This is a debate between affected parties that is not appropriate for L+G to comment on.

Question 3			
Respondent	Category	Response	Rationale
EDF	Large Supplier	(Confidential Response)	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	Yes	Chameleon believes strongly that transactional charging should strongly encourage the development of services which use off-peak and scheduled usage which we feel has always been within the spirit of the DCC operating practices. A charging structure for transactional charges which seeks to ensure that Parties which require high volumes of peak and on-demand usage will pay a fairer share towards the maintenance or development of infrastructure to support this way of working. We also believe that the development of CAD services as a means to engage the consumer with “real-time” or demand-driven data is the correct way to proceed to give maximum customer benefit whilst reducing the overhead on DCC infrastructure and we would like to see this positively encouraged.
Smart DCC	DCC	Yes	We consider that differential charging at different times offers an opportunity to manage the DCC network more efficiently, incentivising use at times when the network is less busy. This differentiation should also be considered for on-demand and scheduled messages sent across the network. DCC works with DCC Users currently to encourage use in this way, but this is not formally governed under the SEC. DCC notes that previous proposals to manage, and where necessary constrain, traffic for DCC Users to preserve overall service continuity (SECMP0067) were rejected, but a charging framework such as this could provide another means by which reduce risks to service continuity.
Energy and Utilities Alliance (EUA)	Other SEC Party	N/A	Again EUA assumes that as an ‘Other Sec Party’ and not as a ‘DCC User’ we are not affected by this part of the proposal and it should be within the remit of potentially affected parties to reply with their own rational. Please confirm if this is not the case, we would be happy to discuss further
Utilita Energy Ltd	Large Supplier	Yes/No	There are repeat instances of capacity and bursts of traffic resulting in high message failure rates across the DCC. Mechanisms, incentives and processes all must be considered to prevent such occurrences.

Question 3

Respondent	Category	Response	Rationale
			Charging incentives have the potential to encourage or dissuade system use at times. There already exists similar proposals through Time of Use tariffs and Demand Side Response. We imagine this proposal aims to achieve similar load shifting behaviour through charging pressures. Our concern is that Other Users, assuming they are acting entirely independently, currently have no incentive to analyse their usage patterns. Nor does there exist any measures or mechanisms to influence their usage. Transactional charges appear to one means of doing so – however it is not necessarily the only solution. We would not be averse to modifiers of non-economic nature, such as new usage rules or traffic prioritisation methods. It is important not to overlook the potential for use of system charges to be charged indirectly, for example the charges for increased capacity relating to MHHS – which were allocated to Suppliers through the modification process, which would not have been caught via transactional charging.
Hildebrand Technology Limited	Other SEC Party	-	See discussion in Question 2 - not enough clarity to answer this at this point in time.
British Gas	Large Supplier	No	See our response to Question 2. We don't agree with the introduction of a 'pure' transactional charging framework. However if a simpler (ex-ante or ex-post) approach was put in place, this could incorporate peak/off-peak and scheduled/on-demand usage differences. Provided it could be done in a simpler approach, we would support using the charging framework to support capacity management of the DCC network. This would be to everyone's benefit, as all parties need the DCC network to be managed in an economical and optimised manner. The current situation where some new entrant 'Other Users' are putting strain on the DCC capacity particularly at peak times, and not contributing towards the cost, or helping the efficiency of the system is not sustainable. Even aside from the sharing of costs, there need to be price signals to help steer behaviour.

Question 3			
Respondent	Category	Response	Rationale
SMS PLC	Other SEC Party	No	the next stage of the UK's energy transition will involve a massive increase of distributed renewable generation, along with the mass growth in flexibility required to balance the grid as we transition from controllable fossil fuel generation to intermittent renewable generation. This flexibility will come from many different sources, but increasingly will come from behind-the-meter flexibility from Energy Smart Appliances (ESA's) such as domestic batteries, smart EV charging and flexible electric heating. Folding variable DCC costs into that, causes complexities in a market that is already looking at changes. It is essential that DCC and the Smart Meter System in general focus on stability, scale and performance. Being the digital spine that such innovation can pivot from. Furthermore, n3rgy (DCC Other User) has invested heavily and will continue to revise and improve our service to work in sympathy with the DCC systems. This requirement already existed within the obligations of all SEC Parties and should continue to be used to enable the more efficient DCC service.

Question 4: Does the current approach of Fixed Charges only being apportioned to Suppliers and Network Parties impact you?

Question 4			
Respondent	Category	Response	Rationale
Alt HAN Co	Other SEC Party	No	-
George Wilson Industries Ltd	Other SEC Party	No	No direct cost involved; however, the indirect costs are incurred due to the changes required to the device (development & approvals i.e.: CPA etc.) or resources allocated to the working groups like TSIR's which results in the improvements requested by the Energy Suppliers.
Scottish and Southern Electricity Networks	Networks Party	Yes	As described within this modification, as a Network party, we are paying fixed charges in line with the SEC.
UK Power Networks	Networks Party	Yes	UK Power Networks is registered with the DCC under the role of Electricity Distributor and is therefore subject to DCC Fixed Charges as set out in SEC Section K and mentioned in response to question 1.
Northern Powergrid Metering Limited	Other SEC Party	Yes	(Confidential Rationale)
IMServ Europe Ltd (IMS001)	Other SEC Party	No	As an Other User / RSA IMServ are not subject to fixed charges.
Electricity North West Limited	Networks Party	Yes	See our response to Q1.

Question 4

Respondent	Category	Response	Rationale
Stark	Other SEC Party (OU & RSA)	No	Whilst we are not impacted by Fixed Charges only being apportioned to Suppliers and Network Parties, we do not consider this an unfair method of charging, as has been previously reviewed. All energy system costs are recovered from consumers by their Supplier; Transmission, Distribution and including DCC infrastructure in this model seems appropriate Apportioning these costs to a wider group of users will complicate overall recovery of DCC infrastructure and SEC governance costs. Currently fixed charging also benefits consumers as SEC modifications can be raised by SEC Other Parties for industry-wide benefits, which may not have been raised by other SEC Party categories. The benefits are ultimately for Consumer benefits who receive the fixed charges from Suppliers. SEC Other Parties can contribute to innovation and bear these costs.
Calvin Asset Management Limited	Other SEC Party	No	This does not currently impact us.
OVO	Large Supplier	Yes	As has been seen from the costs out of SEC MP162 where, as Suppliers, we are still waiting for a breakdown of the costs we will need to pay but 94% of the total costs of that change are being paid for by us where we are receiving none of the benefits and it is enabling functionality we have already paid for and can carry out without this Mod ever being implemented. Every penny we will have to pay for that Mod was a pure costs to us and provided no functionality that we did not already have access to. It must be noted the additional work under the MHHS programme that DCC is looking at to be able to handle the Capacity and Demand that that programme is creating of the DCC will be collected via Fixed Charges. That means Suppliers will be footing the bill for ALL the work needed to enable DCC to handle Half Hourly Settlements. This does not factor any of the benefits others will obtain from this or the other parties and organisations that will not pay anything due to the way Fixed Charges are levied on Suppliers and Networks to cover. It is worth noting that this applies to any Mods or changes DCC wishes to implement and fund through Fixed Charges. From correcting issues via a Mod to Modifications raised by others. Suppliers pay for all, in all instances. It is not commensurate, equitable

Question 4			
Respondent	Category	Response	Rationale
			or mindful of the cause of the costs, who benefits or if that has already been paid for elsewhere by Suppliers. We pay again and for (nearly) all of it.
Horizon Energy Infrastructure	Other SEC Party	No	As a SEC Other User who doesn't use DCC systems there are no charges to us.
National Grid Electricity Distribution	Networks Party	Yes	As a Network Party we pay a percentage of fixed charges.
Smart Meter Assets 1 Limited	Other SEC Party	No	We are not a DCC User so don't attract fixed charges which seems appropriate. In answer to the claim that SEC Other Parties are driving costs by their involvement in SEC forums and change, we believe the whole programme receives a net benefit from MAP involvement in subgroups. Indeed our participation in such forums is at our cost and our businesses are hostages to decisions made that often serve to increase our costs (e.g. firmware management). Furthermore as an optional SEC Party (and not a DCC User) we don't believe it is practical, sensible or beneficial to levy fixed charges on MAPs.
Secure Meters	Other SEC Party	No	The current approach is an efficient means of ensuring the SMIP/DCC costs are recovered from consumers, who are ultimately paying for the programme/system, using well defined existing consumer billing methods. If non-Supplier/Network parties also started to be charged these, another recovery method would need to be developed (increasing the cost of the programme). It might be more transparent if each Supplier itemised the DCC charges directly to the consumer rather than the DCC costs being seen as a 'Supplier or Network Party costs'. SEC Modifications are for the benefit of consumers and as such the current efficient single method should of Suppliers recovering the costs seems most appropriate.

Question 4			
Respondent	Category	Response	Rationale
Trust Power	Non-SEC Party	Yes	It is the energy customer that ultimately supports all costs of the system. This is in the same way that it is the energy customer that ultimately supports all costs of National Grid and the DNOs. Changing the current charging scheme, especially if that involves any kind of transactional charging, will simply add complexity and cost. This, in turn will inevitably lead to Other Users exiting the sector and, ultimately, a reduction in the ability of consumers to reduce their energy bills. The opportunity presented by the smart meter network is for the electricity system to perform more efficiently. Introducing barriers to entry will limit the system benefits realised. For Loop, these new charges would impose significant extra costs on our business. We offer a leading, free energy app that has led to a 16% reduction in electricity use and a 10% reduction in gas use across our customer base. We are providing a product based on smart meter data that customers value and cannot access elsewhere. Were fixed charges to be applied to Other Users, we would be in the situation where innovative firms such as ourselves would be at a cost disadvantage compared to utilities for creating digital products on smart meter data. There is no additional cost to utilities to build digital products on top of smart meter data. They pay their fixed costs irrespective of whether they build these products or not (and pass the costs through to their customers). Whereas, in order for non-utilities to build the same products, they would have to pay an additional fixed charge to access smart meter data. Our customers use our app precisely because they cannot get the product they want from their utility provider. There is already significant value added by third-parties. Introducing new charges will reduce the impact these innovations have, to the detriment of the energy system and energy consumers.
CMAPI members	Other SEC Party (Other Users)	No	MAPs would not expect to see any portion of the Fixed Charges

Question 4			
Respondent	Category	Response	Rationale
Macquarie Leasing Limited	Other SEC Party	No	Macquarie has a limited involvement in SEC/with DCC and therefore would not expect to see any portion of the Fixed Charges
Northern Powergrid	Networks Party	Yes	See answers to Questions 1- 3.
Hugo Technologies Limited	Other SEC Party	-	-
Landis+Gyr	Other SEC Party	No	See response above – we are not a DCC User in the context in which these questions are being asked.
EDF	Large Supplier	(Confidential Response)	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	Yes	In as much as we are not apportioned Fixed Charges at this time
Smart DCC	DCC	No	As noted in our response to Question 1, the SEC allows DCC to recover its operating costs irrespective of how these are allocated across different SEC Parties/DCC Users. Given the likelihood of any changes that arise as a result of this Draft Modification Proposal impacting the charges that some or all DCC Users may face, we consider it essential that any SEC modification that is developed as a result of the RFI is determined by the Authority.
Energy and Utilities Alliance (EUA)	Other SEC Party	See Rational	As 'Other SEC Parties', manufacturers and trade bodies only raise modifications and engage in the process, for wider industry benefit, typically only raising modifications when asked to do so via Energy Suppliers and other third parties.

Question 4

Respondent	Category	Response	Rationale
			However, typically Manufacturers do pick up indirect costs of modifications via the considerable costs incurred in implementing changes to devices that the modifications generate. Trade Bodies also incur costs for attending meetings and taking part in the wider SEC Modification processes, which has to be absorbed as part of our operating costs. Such costs are budgeted from the subscription fees from our voluntary members. Hence as 'Other SEC Parties' both manufacturers and trade bodies do incur costs in relation the processes mentioned. If EUA were to be charged for providing said services, it is likely that many of our members, the majority of whom would also be paying 'Other SEC Parties' would object to being asked to pay twice and may leave respective trade organisations, if we had to re-charge additional costs. This could be exasperated by the fact that those remaining EUA members would then see even higher re-charge costs from EUA. Some parties became 'Other SEC Parties' as for example they use and separately pay for the use of DCC UIT Test environments, however they may not be taking part in the SECAS change modification process. We note this as there may be unforeseen complexities, which could have a negative impact of current parties having to step away from being Other SEC Parties altogether.
Utilita Energy Ltd	Large Supplier	Yes	As a Large Supplier, we are partly responsible for funding the bulk of the general activities and services grouped within Fixed Charges.
Hildebrand Technology Limited	Other SEC Party	No	-
British Gas	Large Supplier	Yes	This has a high impact on us as a Large Supplier. The cost is high, and it is no longer appropriate for it to be only met by Suppliers (94%) and Network Operators (6%) as the industry develops into the new data-rich, HH settlement/reporting era.

Question 4			
Respondent	Category	Response	Rationale
SMS PLC	Other SEC Party	Yes	Firstly, it is the energy consumer that ultimately supports all costs of the system and neither Supplier of Network Party. As consumers, our energy bills which is the only constant and regulated recovery for these costs are paid. Apportioning costs beyond the regulated energy bill will only serve to increase the cost to the consumer through further complexity, increase supply chain and billing costs. The consumer will be the primary loser in this proposed change from both increased cost and the potential loss of innovative services and systems.

Question 5: Do you believe there is an industry benefit for the allocation of the DCC Fixed Charges to be reviewed further?

Question 5			
Respondent	Category	Response	Rationale
Alt HAN Co	Other SEC Party	-	-
George Wilson Industries Ltd	Other SEC Party	No	Explained in the Q4, the indirect costs are incurred due to the changes required to the device (development & approvals i.e.: CPA etc.) or resources allocated to the working groups like TSIR's which results in the improvements requested by the Energy Suppliers. The current allocation of Fixed Charges is adequate, and no changes are required limiting the administration.
Scottish and Southern Electricity Networks	Networks Party	Yes	We believe that as use by further parties that utilise the DCC and SECAS services. We feel that this is a good opportunity to ensure that parties utilising services are apportioned an amount for this.
UK Power Networks	Networks Party	No	We do not believe there is currently an industry benefit for the allocation of the DCC Fixed Charges to be reviewed because the Smart Metering landscape in Great Britain is still evolving with many initiatives being considered for the benefit of consumers from utilisation of the smart meters and smart meter data. We believe consideration should be given to reviewing the charging methodology towards the end of RIIO-ED2 as the smart metering system within GB reaches maturity.
Northern Powergrid Metering Limited	Other SEC Party	Yes	NPML wish to stress that DCC Fixed charges should be distributed to DCC Users, and where services are provided to SEC Parties who are not DCC Users, the payment method used in Mod 181 should be adopted.

Question 5			
Respondent	Category	Response	Rationale
IMServ Europe Ltd (IMS001)	Other SEC Party	No	IMServ cannot see an industry benefit in reviewing the allocation of the DCC Fixed Charges, any review would need to be a fair and accurate representation of the current costs generated by an Other User / RSA sub-group. The information presented in Annex A showing the 29 modifications impacting or raised by Other SEC Parties, doesn't truly reflect the facts of the Modifications and who actually benefitted from them. Of these, only a handful were raised with the specific benefit being only to the Other User category – most were either raised to the benefit of the industry as a whole, were raised by Other Users at the request of the DCC or Supplier. The impact of Other Users raising modifications is minimal, the benefit of a modification doesn't seem to be particularly closely related to the party that raised it. Other Users often raise modifications, attend sub-committees and meetings and working groups to support the change within the industry or to gain information and invoke change to benefit the suppliers that they have working relationships with. To then charge them for acting in this supporting capacity may well reduce participation in key areas which would be detrimental to the industry overall.
Electricity North West Limited	Networks Party	Yes	We agree with the SECCo Board that SECAS should investigate options further for charging Other Users especially with the introduction of the new SEC party role of Meter Data Retriever to be introduced in June 2024. As such Other Users, RSAs and MDRs are or could in the future be receiving a number of SEC or DCC services, paying no costs or a minimal proportion of the costs (as explicit charges). We have concerns the increased traffic from the introduction of the MDR role. We have responded to the Ofgem DCC licence review Phase 1 consultation that it has been acknowledged by the DCC, BEIS and Ofgem that there are performance constraints with the provision of the CSP North service when dealing with peak usage loads and also when attempting to retrieve large payloads of data from meter devices. Unless whole system requirements are considered as part of developing the solution for future use (such as the introduction of MHHS) there is a high risk that

Question 5			
Respondent	Category	Response	Rationale
			contention for data and CSP network resources will result in further degradation of CSP North network performance. The optimal model would be to allow DCC (or other nominated parties) to schedule retrieval of all half hour consumption from meters, store this data securely, and then provide services to allow all parties to access the data from a central repository without the need to actually contact the smart meter itself. This would have the significant advantage of reducing CSP network congestion in all regions, improve data retrieval success rates and potentially reduce the amount of new DCC investment required to meet future network capacity needs.
Stark	Other SEC Party (OU & RSA)	No	We consider the current approach to be appropriate as it follows precedent for recovery of other total system costs (e.g. Transmission and Distribution).
Calvin Asset Management Limited	Other SEC Party	No	Whilst we agree that those who benefit from using the DCC, it's data and associated services should pay fairly for this, other aspects which have been raised or discussed as part of this MOD, such as SECAS costs, SEC MOD process costs or running industry meetings, should not be reviewed further. Reasons include: • Other SEC Parties/Other Users do not generally raise SEC MODs that do not benefit suppliers/network parties – therefore it makes sense for the organisations benefitting to pay for the process and implementation of the change • Where Other SEC Parties or Other Users do raise MODs and receive the benefit, this should follow the explicit charging process (as per MOD181 which is being paid for by parties using the report) which the DCC can already use There needs to be a Change Process which engages all SEC parties and allows for all to raise changes where needed (whoever will benefit from the change). There is a risk that if these costs are socialised, the engagement will reduce and Other SEC Parties may start to not attend meetings, help the industry, identify improvements etc as they will have to contribute towards the costs

Question 5

Respondent	Category	Response	Rationale
OVO	Large Supplier	Yes	We feel strongly that the overall DCC Fixed Charging methodology need addressing and analysing to ensure the original intent and context still applies. We do not believe, when it was set out in the SEC as written, it was ever envisioned that others would be using the DCC Services as they are or that the expectation they would be doing so and that Suppliers would fund all of that no matter what. The way Fixed Charges are applied is inflexible and not reflective of the DCC Services being provided for others, at rather considerable cost to Suppliers, for them to use without any enforceable restrictions or consideration of what they use, including the need for changes that DCC will expect to receive payment for, would cost to others, of at all. The BEIS intent, when drafting the SEC to make Suppliers almost solely responsible for all DCC Fixed Costs was not then to discourage others from using the Services or to restrict change. It's doubtful it was understood back then exactly how much certain changes would cost or that all would be borne by Suppliers and Network Parties to pay, no matter what. Especially when the route of travel in relation to costs to the DCC seem to directly impact demand and capacity of the service.
Horizon Energy Infrastructure	Other SEC Party	-	If those using DCC services were charged for transactional charges then there is a case for fixed charges to be reallocated. The current charges were agreed 10 years ago whilst the system was being developed, now the DCC is being used in a more BAU scenario then it could be the right time to review the charges. There could be an argument for those using the system to pay for the usage and part of that is the fixed charges. However, caution needs to be taken on defining who is a user and what that actually means.
National Grid Electricity Distribution	Networks Party	Yes	We believe that this modification was originally intended to consider not only DCC User System charges but modification and implementation costs. As a result there could be benefit in reviewing Fixed Charges to ensure that these costs are allocated fairly across industry parties that benefit.
Smart Meter Assets 1 Limited	Other SEC Party	No	We would suggest that, if transactional charges are used for DCC Users (i.e. as a result of the first part of this RFI) the materiality of costs being driven (or not) by SEC Other Parties who are not DCC Users is negligible and would not be worth administering (if it were even possible to measure).

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Question 5

Respondent	Category	Response	Rationale
			It has become clear during the last few weeks that sentiment around this area is heavily influenced by MP162. If the cost implications of that change (pushed through, as we understand it, by Ofgem) there is no evidence being provided that SEC Other Parties are raising change and driving material cost for areas that are purely for their benefit. We have analysed the Mods listed in Annex A and it is presented in a way which overplays the impact. – see table attached as appendix to our response. There are only 2 of the Mods listed that were raised by, and benefit only, SEC Other Parties with no costs quoted (indicated it was clearly immaterial). Please see 'Summary of DP218 Annex A - SMA response' here, which categorises the Mods listed in Annex A) and the breakdown provided in the second point of our question 8 response. There are probably more appropriate things to consider if the cost of Modifications is being seen as material when only using Fixed Charges. These include: • Potential for SEC Other Parties to somehow self-regulate what changes are proposed to make sure that they are not purely for the benefit of the raising party (e.g. SECMP0012) • SEC Change Group to better govern and reject such proposals to reduce time and money prior to ultimate rejection • We could consider making the raiser of a Mod pay some cost for the initial assessment but that would simply stifle Mods being raised and is not following the principle that the beneficiary pays • We could consider charging SEC Other Parties a fixed cost but that would be minimal, impractical to administer and non-DCC Users (e.g. MAPs, device manufacturers) would be incentivised to cease being a SEC Party so it would be unlikely to achieve the aim • Homogenising SEC Other Parties (“SOP”) is not possible – this RFI at least acknowledges one major difference between SOPs which re DCC Users and those which aren’t. Furthermore, an RSA and MDRs are extensions of suppliers in that they are operating purely to perform a service required (even mandated) of Suppliers. Whether those suppliers should pay via transactional charges (as in Q1-3) is a different question (and we believe they should) as we sympathise with

Question 5			
Respondent	Category	Response	Rationale
			the view that other suppliers and DNOs should not fund parts of a service for their competitors when they deliver that element of service in-house. <i>Notwithstanding all of the points above which could / should be considered we do not believe that there is evidence that SEC Other Parties are driving material costs in change and, as per 'Summary of DP218 Annex A - SMA response' here, it is not appropriate to levy fixed charges when transactional charges are an option; an option which “will likely not need a modification”.</i>
Secure Meters	Other SEC Party	No	It is our understanding that the current charge mechanism works efficiently, and a review of any changes will generate increased costs in terms of performing the review, ongoing administration as well as changes to DCC's system.
Trust Power	Non-SEC Party	No	There is no benefit to our industry or to consumers from changing the charging system. This is especially pertinent as our country is in the middle of a cost-of-living crisis following Russia's invasion of the Ukraine. Moreover, the Government is committed to significantly decarbonising the economy. Our Loop app – and that of our competitors – provides a direct way for consumers to reduce their energy costs and their carbon footprint. On the other hand, there are incredible advances in AI, data and control taking place outside the energy system. At this juncture, the energy industry – and consumers – will benefit from embracing new, innovative products and services. Making it easy to bring these non-energy advances into the energy system will reduce carbon and costs throughout the sector. Introducing additional costs to innovators bringing these new technologies into the energy system will prevent new entrants and limit the scope of existing innovators to expand their offering. We fully support finding ways to reduce consumer bills. The opportunity is for products built on smart meter data to do this for customers. There is no external pot of money to reduce the costs being paid

Question 5			
Respondent	Category	Response	Rationale
			by consumers for the DCC. Changing the cost structure will add complexity with the consumer still paying fully for the DCC at the end, while stifling the ability of innovators to enter the energy system and bring costs down.
CMAPI members	Other SEC Party (Other Users)	No	In addition to Question 4's response, it is worth considering the implications of potentially allocating fixed charges to additional members which will inevitably require more administrative hours. This extra cost should be included in any cost benefit analysis.
Macquarie Leasing Limited	Other SEC Party	No	In addition to Question 4's response, it is worth considering the implications of potentially allocating fixed charges to additional members which will inevitably require more administrative hours. This extra cost should be included in any cost benefit analysis.
Northern Powergrid	Networks Party	Yes	See answers to Questions 1- 3.
Hugo Technologies Limited	Other SEC Party	-	-
Landis+Gyr	Other SEC Party	No	If this question is actually for all 'Other SEC parties' and not just Other DCC users, we believe that the case for this is not made sufficiently and does not reflect an objective overview of the need for this. Annex A attempts to analyse the history of Modifications raised by Other SEC parties but includes two raised by the DCC which we question the relevance of to the argument. In the case of MP162, as we understand it the process voted to reject this but it was determined by the Authority. Of the Other 28, the vast majority (20) have been raised for the benefit of All SEC party groups and trigger substantial implementation costs by Other SEC parties (Manufacturers) or the case of MP181 the proposer was willing to fund the service at the outset. A number of these were raised as a result of SEC parties asking Other SEC parties to raise these either as a result of technical expertise or to co-ordinate any cross industry issues.

Question 5

Respondent	Category	Response	Rationale
			Two Mods have been raised by 'Other SEC parties' solely in their own individual interest, and we understand that the process automatically drives substantial effort on behalf of the Change team and those involved in the mod process. There is inadequate review of mods to avoid this and no escalation to panel for support if required. Given the Annex A complains about the effort involved in 8 modifications, this clearly demonstrates the need for a review of the process itself, rather than assume that others should pick up the cost for this especially in the current economic climate. There are only 6 mods which are raised by 'Other SEC parties' for sole benefit of Other SEC parties out of a total of 200+ or less than 3% of the total number of mods since the beginning. Since the number of Other SEC parties are the largest group of SEC parties, this is clearly a very small percentage of the total number and hardly represents a large growth. In addition the SCIRS forum was set up to specifically address concerns about the security implementation and timescales to get the required specifications for triage use cases and recertification, which wholly benefit suppliers and trigger significant costs on manufacturers to implement the outcomes, which is not made clear in the documentation. We feel compelled to make these points as it completely unclear if this RFI actually is directed at 'Other SEC parties – non DCC users' or just DCC Users and despite this question being asked directly at the recent Q&A session we are still unclear about whether this will be handled separately or not. The conflation of Other User Issues with the wider 'Other SEC parties' group especially when there is a request for 'Other SEC parties' to support the multiple governance groups needs substantially greater justification for confidence to be had in the objectivity of this process. We find it unacceptable for the Change team to conflate issues relating to Other DCC users with the wider 'Other SEC party' membership and as was clear in the recent Q&A session with no support from the proposer. This undermines confidence in the Change Process and would request that a clear direction is established with clarity over how these issues will be debated.

Question 5

Respondent	Category	Response	Rationale
EDF	Large Supplier	(Confidential Response)	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	No	Chameleon believe that the engagement of SEC Other Parties with the DCC is of benefit to all parties overall and would not wish to see any change to charging which may dilute or reduce this participation. Acknowledging that Other SEC Parties are not the same as Other Users (a group which a Supplier could potentially be classified under) and that Other SEC Parties is a definition which covers in reality a range of organisations and purposes. Chameleon does not consider the argument of costs incurred in evaluating and processing Other SEC Parties Modification Proposals being shared more widely as having merit – a quick analysis of the data of modifications proposed by Other SEC Parties demonstrated quite clearly the benefit that this active participation has – Of 20 modifications which have been through the process, 2 were rejected, 7 were withdrawn and of the 11 which were implemented, all but 2 were considered to be of benefit to all or almost all SEC Parties.
Smart DCC	DCC	Yes	DCC sees benefit in reviewing allocation of charges, although any review should take the form of a robust and well evidenced analysis, which clearly articulates costs and benefits of changes. This needs to be fully representative, including impacts on current DCC Users of all types, and should also consider impacts on prospective future users, who may find that charging changes disincentivise use of DCC systems, which in turn may stifle innovation in the energy sector. Analysis should include a 'do-nothing' option.
Energy and Utilities Alliance (EUA)	Other SEC Party	No not for the costs of administering the SEC modifications process and meetings	We believe the current charge mechanism works and changes would likely generate increased costs in terms of ongoing administration as well as the recognised need to make changes to DCC's systems. The current costs to some Other SEC Parties (manufacturers) to implement a change on a device is typically around £100,000 to £250,000 which includes costs such as CPA and testing. Hence this dwarfs the administration costs of the SEC modification process. As mentioned these costs are

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Question 5			
Respondent	Category	Response	Rationale
			generated via the Energy Suppliers and regulatory bodies requiring changes, usually to devices that were built to original specified standards, to meet new demands. Trade bodies such as EUA provide a service to these processes and it should be noted that of the 29 or so modifications some have actually been raised at the request of others including SECAS, hence the true level of 'Other SEC Party' initiated changes is less than 29 modifications.
Utilita Energy Ltd	Large Supplier	Yes	We note that this question has been framed as the potential of including Other Users and RSAs within the reallocation of charges, however we believe that a broader conversation around equitable charging is required. The goal should be a fair charging model which does not introduce cross subsidisation. The problem should not be viewed as simply seeking to charge RSAs and Other Users. The Other User group could potentially include a multitude of organisations, each which may ideally face different Fixed Charges. A first step should be to review and agree what the allocation of charges under the SEC is aiming to achieve. There should also be a review of other industry wide changes resulting in SEC Modifications being required to implement their changes. This process appears to pre-determine the outcome of the modification and results in charges which under all other circumstances would clearly be deemed unacceptable.
Hildebrand Technology Limited	Other SEC Party	No	Please note that the following response is based on a review of Annex A - DP218 Assessment of mods impacting or raised by OSPs v0.1.pdf. The presentation of the list itself, specifically the Assessment column, risks being biased with its frequent repetition of the statement "SECAS had spent time and effort progressing this modification, which are recouped under Fixed Charges." Presumably SECAS do the same for every modification.

Question 5			
Respondent	Category	Response	Rationale
			The tone could be interpreted as implying - Other Users shouldn't submit any SecMods unless they benefit the whole ecosystem and have already done the analysis to know this in advance. Before this discussion is carried forward, further analysis of the nature of the SecMods submitted by Other Users should be performed. It appears as though the SecMods submitted to date fall into certain categories - and it would be helpful to understand the number per category and the cost implications thereof. Categories we observed include: • SECAS Governance • SecMods that only benefit Other Users • SecMods that benefit all parties Similarly, it would also be useful to categorise the nature of the OU's business - the list includes SecMods from OUs who often have very distinct requirements of the DCC infrastructure. There is a risk of stifling innovation with this proposal and encouraging innovators to avoid using the DCC infrastructure for their solutions, even if they could benefit all parties if the costs of raising SecMods are to be allocated. Perhaps to balance this risk would be to also include Energy consumers (domestic and non-domestic) in the Assessment? Finally, could there be benefit in SECAS reviewing its initial assessment approach as the implication is that this is very expensive. Perhaps a more Agile and iterative cycle, with light touch governance, could be considered to help manage the risk of a high cost burden during the assessment phase? With respect to the statement in DP218 Modification Report v0.2.pdf, p 6 "However, they may be using additional services whose costs are covered under the Fixed Charges such as: Attending Sub-

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Question 5			
Respondent	Category	Response	Rationale
			Committee and other SECAS facilitated or DCC facilitated meetings and information sessions.” SECAS should be aware that attending such meetings carries a cost for all external parties who attend - an opportunity cost of time - and benefit doesn’t necessarily outweigh participation time in the meetings. We recommend that this bullet point is considered again with respect to its salience to the discussion.
British Gas	Large Supplier	Yes	As stated in our answer to Question 4, it no longer seems appropriate for the DCC Fixed Charges to be only met by Suppliers (94%) and Network Operators (6%). Whilst it was claimed by several ‘Other User’ parties on the DP218 call that a cost on Suppliers basically meant a cost on Consumers, so it was shared fairly amongst all Consumers, this isn’t the case. There are different types of consumers. 1. Some consumers will be welcome and enthusiastically move to smart phone apps, or opportunities to shift usage times. Companies offering these new services to these types of consumers will be able to access these extra benefits, and it seems only fair that the companies providing these services also share in the underlying costs of providing the detailed (DCC) data that these services rely on. 2. Other consumers, including vulnerable customers, may not want to, or be able to move to smart phone apps or move their usage times. It doesn’t seem right for these consumers, to be charged the extra costs of delivering these new services, that they are not using. In the light of rising energy costs and cost-of-living expenses, it does not seem correct to allow new entrant competitors to access the highly valuable resource of the DCC and its embedded customer data without those new entrant competitors paying a reasonable contribution.
SMS PLC	Other SEC Party	Yes	Reassessment post a period of stability and high performance, after SMIP, CH evolution and the resolution of the extensive challenges (such as firmware and network reliability) the service currently faces.

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Question 6: Should there be an additional DCC User Charging Group(s) for Other Users, RSAs and MDRs?

Question 6			
Respondent	Category	Response	Rationale
Alt HAN Co	Other SEC Party	-	-
George Wilson Industries Ltd	Other SEC Party	No	Please refer to the Q5 answer, no Charging Changes are required.
Scottish and Southern Electricity Networks	Networks Party	Yes	We believe there should be additional user charging groups. We feel that this is a complex change, however through consultation and working groups, this would be the best approach to ensure the future solution is fit for purpose.
UK Power Networks	Networks Party	Yes	SEC Section C1.6(d) sets out that the DCC should ensure Charges “do not unduly discriminate in their application and are reflective of the costs incurred by the DCC, as far as is reasonably practicable in all of the circumstances of the case, having regard to the costs of implementing the Charging Methodology”. Where DCC charges are apportioned to current DCC registered users in accordance with SEC Section K, based on market share and the number of registered MPxNs, which therefore is not appropriate for apportioning charges to “Other Users” who benefit from the available services. Creation of an “Other Users” category would enable DCC charges to be levied against those users for all of the available services they utilise including a proportion of the fixed charges through an appropriately developed charging methodology. The new “Other User” group will require a new charging methodology to be developed. This could include a charging matrix table including a fixed charge rate for each individual service, based on

Question 6			
Respondent	Category	Response	Rationale
			average historical cost and effort for each specific service that the “Other User” requires, such as raising a Modification. To ensure the solution is fair and is perceived as such by all users the proposed option should include a review of the existing charges for services to ensure they remain cost reflective.
Northern Powergrid Metering Limited	Other SEC Party	Yes	This would allow changes to be distributed to the charging groups that benefit from them. We would also expect to see an opening up to the DCC data to allow MAPs access to data about their assets, something that currently does not exist. We believe this failure to provide meter asset data from the central systems causes additional costs for consumers because it leads to the unnecessary removal of smart meters.
IMServ Europe Ltd (IMS001)	Other SEC Party	No	IMServ don't believe that an additional charging group should be created.
Electricity North West Limited	Networks Party	Yes	Our preferred option is for the introduction of an additional DCC User Charging Group in order to capture all DCC Users and therefore enable the DCC to distribute Fixed Costs to all Users. We recommend the options to have an additional DCC User Charging Group in order to capture all DCC Users and therefore enable the DCC to distribute Fixed Costs to all Users should be investigated.
Stark	Other SEC Party (OU & RSA)	No	Unless this is required to implement Transactional Charging, we do not see the requirement for additional Charging Groups for Fixed Charging.
Calvin Asset Management Limited	Other SEC Party	Further information is required	We consider that separate User groups should be established to ensure this occurs as this is made up of a wide range of organisations which have different uses for the DCC, data and other services. Having one ‘Other User Group’ would invite a number of issues and concerns for those in that group, who may not be receiving any benefit but be expected to pay.

Question 6			
Respondent	Category	Response	Rationale
			As an 'Other SEC Party' Calvin (and other MAPs) are not DCC Other Users and this definition needs to be clearly made. We do not expect Other SEC Parties who are not DCC Users to be charged anything additional.
OVO	Large Supplier	Yes	We fully believe this would be a fair and equitable and proportional way of ensuring all using the DCC Services, or needing changes to be made to those, are reflected in the Fixed Charges so that there is a equitable reflection of the costs to all creating them. It is not a case of customers paying twice for the same functionality, or paying again for something they've already paid for, it's a matter of ensuring customers are not being charged for something Suppliers have already paid for. This would truly look to creating a level playing field when it comes to the DCC services where only Suppliers get charged no matter who benefits or caused the costs. It will also allow those wanting changes that are nothing whatsoever to do with Suppliers / Networks can be advanced as this has been a hurdle in the past. It may require a review of the Voting weightings for Changes to reflect this if approved.
Horizon Energy Infrastructure	Other SEC Party	-	There is a difference between users of the DCC systems and the DCC Other Users. If a high proportion of attributable charges could be allocated to other parties then this should be considered. Other Users is a wide reaching category with many different parties being represented. Some Other Users use DCC systems but the majority don't. MOD162 is raised several times in the supporting documentation, the cost of this modification is obviously causing some contention. Why wasn't explicit or elective charges considered for this modification? Part of modification 218 seems to be trying to fix the decisions made on MOD162. It's understandable that if suppliers don't see a use for this role then the MDR users should pay. Consideration needs to be given to Other Users that are high users of DCC systems. If they use a high volume of DCC's resources then they should pay towards DCC's running costs.
National Grid Electricity Distribution	Networks Party	-	We think that this needs consideration as there could be a benefit to charge other users for using the DCC systems. How this is done and charges calculated will need careful thought, i.e. would it be done by size of organisation, estate etc.?

Question 6			
Respondent	Category	Response	Rationale
Smart Meter Assets 1 Limited	Other SEC Party	No	At least not for fixed charge allocation. Transactional charging (Explicit Charges) should be used instead. If suppliers elect to use an MDR (rather than manage HH data in-house) there will be an increase in service requests / data transmitted to parties not covered by Fixed Charges and it is only right and equitable that costs relate to the activity driven by the entity receiving the data / driving the cost rather than further smearing of costs without considering volume of activity. Furthermore the nature of these business and services would make it difficult to apportion costs due to uncertainty of their use of and reliance on DCC services (as indicated by the existence of question 7).
Secure Meters	Other SEC Party	No	-
Trust Power	Non-SEC Party	No	This will add complexity to the system and barriers to entry. And for what outcome? A shuffling of money around with consumers paying for the system but with money flows slightly changed.
CMAF members	Other SEC Party (Other Users)	No	Other SEC Parties pay for what they use via the Explicit Cost, as utilised in MP181, and this remains the most appropriate method for charging this sub-group for what they ask for. If there are Other SEC Parties using DCC systems on a recurring basis and materially increasing usage on the DCC system, then there is scope for these parties to be separated from Other SEC Parties with appropriate charges applied to them. MAPs are not regular DCC users (they are not 'DCC Other Users'), therefore they do not benefit from the DCC or it's data, and would expect to remain as an Other SEC Party if any changes were made. If an additional charging group is added then the 'Other Users' scope needs carefully considering and defining; this group is effectively everybody in the industry who's not a supplier or a network. This group can and probably should be broken down into the individual roles.

Question 6			
Respondent	Category	Response	Rationale
Macquarie Leasing Limited	Other SEC Party	No	Other SEC Parties, as originally conceptualised, pay for what you use via the Explicit Cost, as utilised in MP181, and this remains the most appropriate method for charging this sub-group for what they ask for. If there are Other SEC Parties using DCC systems on a recurring basis and materially increasing usage on the DCC system, then there is scope for these parties to be separated from Other SEC Parties with appropriate charges applied to them.
Northern Powergrid	Networks Party	Yes	See answers to Questions 1 – 3. Northern Powergrid does not believe that a cost model based on the size of an organisation is appropriate, rather access to services, the quality of that service being delivered by the DCC and the amount (customer numbers) and functionality (SMETS1, SMETS2 and non-smart) available.
Hugo Technologies Limited	Other SEC Party	-	-
Landis+Gyr	Other SEC Party	No	Please see rational in question 5. The analysis of the case for this is weak and completely ignores the cost /benefit of doing this in the case of Other SEC parties (non DCC users). Again it is really unclear what the relevant parties are in relation to this.
EDF	Large Supplier	(Confidential Response)	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	Yes	Enabling a clearer voice for Other Users within SEC would be beneficial for the industry as a whole. I am less clear on the bundling of RSAs and MDRs into this proposed Group as I am not sure there is a common interest or motivation even if there may be assumed a common usage pattern

Question 6			
Respondent	Category	Response	Rationale
Smart DCC	DCC	Too early to say	The answer to this question should be driven by the outputs of any analysis undertaken, which should assess the impacts of Other Users on DCC systems, alongside the costs of changing systems and processes to accommodate new charging groups. DCC is happy to support analysis of how changing charging arrangements could impact DCC Users, but decisions on whether and how to implement change should be formed with input from all affected parties and decided on by the Change Board (of which DCC is not a voting member). As per our reply to question 3, we consider that any modification raised as a result of this RFI must ultimately be Authority determined.
Energy and Utilities Alliance (EUA)	Other SEC Party	No	Please see rational in question 5. Manufacturers and trade bodies are not 'Other Users', they are 'Other SEC Parties'. Hence unless we have misunderstood the terminology, we would not be affected by this. If this is not the case please confirm and we would be happy to discuss further.
Utilita Energy Ltd	Large Supplier	Yes	It is possible to separate this question out from the broader objectives of redistributing charges. Assuming this question simply asks whether new groups should be introduced to the Smart Energy Code, we believe they should. Simply adding the groups does commit them to any extra charges, as their contributions to each Category of charges may be set to zero. The discussions around allocation of groups of charges can be separated out entirely. It seems that grouping all Other Users together may not offer sufficient granularity, if the objective is reflective and fair allocation of charges. The nature of Other Users business and their usage patterns, as well as what system changes they may benefit from, varies greatly. It may be necessary to further divide the Other User category. For example, private commercial and public research usage could be charged differently.
Hildebrand Technology Limited	Other SEC Party	No	See above

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Question 6			
Respondent	Category	Response	Rationale
British Gas	Large Supplier	Yes	This should definitely be introduced into the framework. New entrants 'Other Users', RSAs and MDRs are benefitting commercially from accessing the DCC framework and its underlying data. They are also putting strain on the DCC capacity particularly at peak times, whilst not contributing towards that cost. This should be resolved.
SMS PLC	Other SEC Party	No	As consumers, our energy bills which is the only constant and regulated recovery for these costs are paid. Spreading this cost, will add complexity and very likely more cost on consumers and less innovation using the DCC as its ecosystem

Question 7: If a new Charging Group(s) is added and cost allocated to this group(s), how can this be apportioned so it is viewed as proportionate/reasonable?

Question 7		
Respondent	Category	Response and rationale
Alt HAN Co	Other SEC Party	-
George Wilson Industries Ltd	Other SEC Party	Please refer to the Q5 answer, no Charging Changes are required.
Scottish and Southern Electricity Networks	Networks Party	As noted in question 6, this is a complex change that needs to be undertaken. Apportioning the costs as done currently for Suppliers and Network parties could be a suitable solution to ensure costs, if apportioned would be reasonable to each additional party that is added to the charging methodology.
UK Power Networks	Networks Party	The DCC fixed charges are initially paid by Electricity Distributors and Suppliers, however these charges are ultimately paid by the customer. The DCC would therefore have to develop a methodology ensure that customers are not charged twice for a proportion of the DCC fixed charges through costs also levied against the "Other User" group.
Northern Powergrid Metering Limited	Other SEC Party	All costs that impact that charging group should only be allocated to the charging group. However, if this was the preferred route, then there is a serious case for also reviewing the whole change process. If an Other User was to raise a change that exclusively impacted Other Users, and would be charged exclusively to Other Users, then the only impact that SEC Parties who are not 'Other SEC Parties' should have is the right to confirm that the change does not cause a breach in any regulation, and not have the right to vote on its implementation.
IMServ Europe Ltd (IMS001)	Other SEC Party	It would be seemingly impossible to find a fair and accurate way to allocate costs to any new group that is created, which is a good indication of the fact that there is no need for this modification proposal.
Electricity North West Limited	Networks Party	RSAs and MDRs could be charged a percentage of MPANs for which the agent is appointed for etc.

Question 7

Respondent	Category	Response and rationale
Stark	Other SEC Party (OU & RSA)	We do not consider new Charging Groups are necessary. However, were they added, then Fixed Charges would have to be allocated/apportioned based on the relative impact or benefit of each modification to each Charging Group. However, this is likely to vary between individual organisations within a Charging Group, so would be difficult to manage consistently and fairly. The risk of over-recovery potentially increases with additional Charging Groups in the mix and so controls would need to be in place to mitigate this.
Calvin Asset Management Limited	Other SEC Party	-
OVO	Large Supplier	This will depend completely on the situation and the cause of the costs to be recovered via the fixed charges. It needs to be considerable more flexible that it is today and weighting applied depending on what it is. With an understanding of all the costs that feed into the Fixed Charges, how they are calculated and applied today, it is not possible to provide a view on how that could be split out.
Horizon Energy Infrastructure	Other SEC Party	Any changes to charging should be fair to all parties. If the data around DCC usage points to a disproportionate level of charging then this should be reviewed. At this stage there isn't enough information to support a view for how charges could be apportioned. More data is required, key points of concern/conflict highlighted in more detail. MOD162 has obviously raised some key issues about who pays for which services and the lessons learnt from this modification need to be considered and form part of the solution going forward.
National Grid Electricity Distribution	Networks Party	We do not have specific comments at this time but would need careful consideration.
Smart Meter Assets 1 Limited	Other SEC Party	We don't see how this would be feasible. The obvious solution is to utilise transactional charging.
Secure Meters	Other SEC Party	No comment

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Question 7		
Respondent	Category	Response and rationale
Trust Power	Non-SEC Party	We have no view on this
CMAP members	Other SEC Party (Other Users)	N/A
Macquarie Leasing Limited	Other SEC Party	N/A
Northern Powergrid	Networks Party	See answers to Questions 1 – 3 and 6.
Hugo Technologies Limited	Other SEC Party	-
Landis+Gyr	Other SEC Party	see previous answers
EDF	Large Supplier	(Confidential Rationale)
Chameleon Technology UK Ltd	Other SEC Party	Any cost allocated must be carefully considered so as not to stifle creativity and innovation but also not encourage “lazy engineering” and allow organisations to take advantage of pricing strategy to develop solutions which may cause wider issues – Chameleon would be strongly against apportioning Fixed Costs to this new group but would support a dialogue aimed at developing a Transactional Cost model which looked to actively encourage the use of scheduled and off-peak usage.

Question 7

Respondent	Category	Response and rationale
Smart DCC	DCC	This question should be considered after any analysis of charging changes has been undertaken. However, we would stress that any changes will need to be consistent with DCC's Obligations in Part C of Condition 18 of the DCC Licence, which set out the Policy Objectives of the Charging Methodology. These include that: <i>the Charging Methodology in respect of all of the Mandatory Business Services provided under or pursuant to the SEC must result in Service Charges that:</i> a) <i>facilitate effective competition in the Supply of Energy (or its use) under the Principal Energy Legislation;</i> b) <i>do not restrict, distort, or prevent competition in Commercial Activities that are connected with the Supply of Energy under that legislation;</i> c) <i>do not deter the full and timely installation by Energy Suppliers of Smart Metering Systems at Energy Consumers' premises in accordance with their obligations under the Energy Supply Licence; and</i> d) <i>do not unduly discriminate in their application and are reflective of the costs incurred by the Licensee, as far as is reasonably practicable in all of the circumstances of the case, having regard to the costs of implementing the Charging Methodology.</i> Any proposed change to the SEC which would lead to DCC being unable to meet this policy objective would be inconsistent with the Second General SEC Objective (Section C1.1(b) of the SEC)
Energy and Utilities Alliance (EUA)	Other SEC Party	Please see our rational in questions 5 and 6.
Utilita Energy Ltd	Large Supplier	This is the first question industry should seek to answer. It appears as if further upfront development work is required here – it is necessary before we can begin concluding on the other questions within this RFI.

Question 7		
Respondent	Category	Response and rationale
		We believe that both reasonable and proportionate allocation is that which avoids cross subsidisation. The current charging model was logical for the development and transition phase of the SMIP – however, use and profit from further usage/change should not be the sole responsibility of Suppliers, given that it is not Suppliers who necessarily stand to benefit from said usage/change.
Hildebrand Technology Limited	Other SEC Party	Allocation based on size of organisation isn't very specific - number of staff, turnover, etc. How would this be counted? As per our response to Question 5, there needs to be more analysis of the nature of the SecMods put forward by OUs, and the type of OU putting the SecMod forward and the full list of beneficiaries of the change before considering how costs could be apportioned reasonably.
British Gas	Large Supplier	There is never going to be a solution that every industry group agrees with, but there still needs to be a fair approach to resolution. Our proposal would be as follows: DCC external costs (DSP system, CSP network, Security elements) of c. £350m/year should be based on peak capacity usage across all party categories (Suppliers, Other Users, RSAs, MDRs and Networks, etc...) – very similar to the model used for Gas and Electricity Networks. DCC internal costs (Capita, head count, offices, Manchester test labs) of c. £200m/year should be split in the same way between all party categories (Suppliers, Other Users, RSAs, MDRs and Networks, etc...), except for test labs which we think should be paid on a usage basis through an Explicit charge (e.g. for meter manufacturers). DCC external costs (Comms Hubs and AlthAN) of c. £100m/year should stay with Suppliers, as current arrangements. SECAS costs (c. £10m) could be divided based on Modifications in the year, across all benefitting parties. Other Users, RSAs and MDRs will still benefit free-of-charge from the investment made in past years to build, modify and develop the DCC.
SMS PLC	Other SEC Party	-

Question 8: Please provide any further comments you may have.

Question 8		
Respondent	Category	Comments
Alt HAN Co	Other SEC Party	Having read the Draft Modification Report and this RFI Alt HAN has the following observations: 1) The Modification Report specifically states that Alt HAN Fixed Charges should be outside the scope of this review. However it does specifically state that Alt HAN Explicit Charges should be outside the scope of this review. Please can the proposer/working group clarify if Alt HAN Explicit charges are within the scope of the review or not. Alt HAN Co is an 'Other SEC Party' but it is not a DCC User. Alt HAN Co engages in some SEC processes and activities, for example Alt HAN Co can (and has) raised Modifications to the SEC. However it only does so on the instruction of the Forum which is comprised of Energy Suppliers. We would therefore propose that any solution that introduces charges for 'Other' SEC Parties excludes Alt HAN Co as a Party. This is because Alt HAN activities are overseen by Suppliers (via the Forum and Board) and costs are recovered from Parties already via DCC Charging. The inclusion of Alt HAN as an 'Other' Party in any charging activity for SEC activities (such as raising and progressing Modifications) simply creates a loop where Alt HAN would budget for such costs, pay costs to DCC and then recover its costs from DCC who would in turn recover the budgeted costs from Energy Suppliers. This would be a wholly inefficient and nugatory process.
George Wilson Industries Ltd	Other SEC Party	-
Scottish and Southern Electricity Networks	Networks Party	N/A
UK Power Networks	Networks Party	None

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Northern Powergrid Metering Limited	Other SEC Party	As a SEC party, it is NPMLs right to raise a modification and attend industry groups that will directly impact the significant investment that NPML has made in the smart metering system. The reason that NPML are a SEC Party is to attend these industry groups and have the right to raise modifications. The fact that this is present on page 2 of this document and being discussed is seriously concerning and restriction of our ability to participate at an industry level will likely result in it being harder to justify to our investors that the Smart Metering Inventory is a good programme to invest in. It will also be very hard to justify why we are a SEC party, if we essentially only have read only access. This lack of access will lead to additional costs for consumers and central bodies should consider opening up access rather than restricting it. Other SEC Parties have raised many modifications and very few have been successful without support from Suppliers. Where they have been successful, such as Mod 181, it has led to MAPs electing to pay for the services to cover the cost of development and implementation of the report. If DCC Users are concerned about the impact that Other SEC Parties are having on the costs to their business, then they should be pushing to make use of this facility of DCC charging in modifications and not directing modifications to review the right to raise modifications.
IMServ Europe Ltd (IMS001)	Other SEC Party	IMServ can see that a review of the Communication Services element and the use of transactional charges to manage capacity within the network as well as a fair allocation of charges based on use of the system is needed, without agreeing that transactional charging should be implemented. However as an Other SEC Party do not see why or how Fixed Charges can be levied on OU/RSA/MDR's based on attendance at Meetings/Sub-committees, raising of Modifications and SECAS costs and that this goes against the original intent of the SEC.
Electricity North West Limited	Networks Party	We request a revisit of the weighting allocated to each charging group as this was set 13 years ago when the original roll out target date was for completion by 2020. There has been little transparency from the DCC on what the rationale was behind the allocated weightings.
Stark	Other SEC Party (OU & RSA)	Transactional Charging based on time of use, volume of service requests and type of service requests is a more appropriate methodology going forwards, which should incentivise efficient use of the DCC System by all Users. There is a lot more to consider if implementing Transactional Charging (e.g. treatment of failed requests) so we expect DCC to

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		engage closely with its customers (current & future) to get it right. There should be a corresponding reduction in Fixed Charges if Transactional Charging is introduced. The current approach for Fixed Charges remains appropriate as it follows precedent for the recovery of other total system costs (e.g. transmission and distribution).
Calvin Asset Management Limited	Other SEC Party	We are supportive that if this Modification progresses, it should be split into the two workstreams and definitions clearly made as to who is impacted and who is not. We are aware that the SEC Modification process can take significant time and resource from all parties involved, even for small changes. We suggest that any changes in relation to charging could be significant and are likely to take some time – which would drive further costs into SMIP, the DCC, to suppliers etc and ultimately to consumers. Consideration needs to be given to the Ofgem consultation around the DCC contract and how changes to the funding of the DCC in the future may impact any changes being discussed now. There is an implication that the involvement of Other SEC Parties and Other Users within industry meetings, raising SEC MODs etc is a negative thing which has resulted in increased SECAS charges etc – however, we consider that the involvement of these parties is invaluable to the SMIP and will be critical in the future for innovation.
OVO	Large Supplier	The way DCC charges, especially in relation to Mod costs, are levied upon Suppliers in the main needs to be addressed so that ALL Users of the DCC, that can raise Mods to their benefit, should be factored into how those costs are recovered. There has been more than one instance where the Raiser, and the Raiser's constituent User's, have been fully prepared to pay for the changes required for them to obtain the benefit and it's only been because others (Suppliers) would need to pay that this has required a change in solution. Any wishing to utilise and leverage the change process, where the DCC needs to make a change and it is outside of the Elective Communication Services criteria, should be encouraged to do so, and with that, the costs commensurate with that change be equitably proportioned out accordingly. We welcome all to use the DCC services and obtain the benefits of having access to the Services they offer. What we'd like to see done is a full review of who pays in the first instance and who benefits, as it's not the same Parties and Organisations. Noting that ensuring costs to our end consumers are our priority so receiving costs for changes that

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		benefit others and we're paying for is not something we feel is in their best interests and requires us to look at how that works.
Horizon Energy Infrastructure	Other SEC Party	This modification covers a lot of areas and detailed points. As a MAP we're in the process of agreeing the service with DCC for MOD181, the process for this was elongated and unnecessary. What started as a DCC consultation became a SEC mod due to one detractor. It was then stated that this shouldn't be a MOD. This wasted valuable time when it was a service that MAPs were always happy to pay for. When the SEC was originally drafted other users weren't doing the role they do now and the drafting was largely done with the large supplier model in mind. This means that some modifications listed in the annex were required to give small suppliers with a different business model the opportunity to operate under the SEC. Some modifications were raised to align the SEC to provide the same level of service to suppliers that choose to interact with the smart programme in a different way. For example, a more general review of the SEC should be performed to look at why a modification should need to be raised as part of the ALT HAN project. This should have been part of the original ALT HAN project and a modification shouldn't be required. Most of the modifications listed in the attached document resulted in the service being improved and it could be argued that the functionality should have always been available. We're seeing that during the modifications process and through modifications that personal agendas are being driven through in meetings and sometimes one individual is allowed to disrupt and derail the process. This doesn't give a balanced view and it doesn't benefit participants. MOD162 has caused contention and frustration amongst the large supplier population. Lessons should be learned from this process. If there is an issue with the volume of service requests from other users then this needs to be considered further. There is not enough data in this modification to make a decision on what action is required or what the options are. Other Users can be services that are outsourced by energy suppliers such as meter operators, MAPs, meter manufacturers. They bring their expert knowledge to forums, meetings and debates that isn't always covered by suppliers. Any changes need to ensure that these expert voices aren't stifled or discouraged.

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National Grid Electricity Distribution	Networks Party	We initially thought this Charging Review Modification was looking at modification implementation and charging costs. Whilst we note transactional charges need to be considered from a charging perspective, we do not want it to turn into a traffic management function. We believe that charges should not be used to solve capacity constraints. We appreciate this could be beneficial to encourage people to use system at certain times but feel this modification shouldn't be solely looking to address this issue.
Smart Meter Assets 1 Limited	Other SEC Party	1. We find <i>the text used (and sometimes omitted) in this RFI unbalanced and not impartial</i>. For example it is cited that SEC Other Parties attendance at Sub-Committees and other DCC meetings is driving cost. Our attendance at these is for the benefit of all SEC parties with expertise and input provided at our cost. One would question, by way of an example, how security issues would be resolved without the freely given input from device manufacturers and MAPs at SCIRS – the ultimate benefit is that DNOs and Suppliers have secure devices operating for their customers / on their networks. Charging for attendance could have unintended consequences and render some such groups futile were SEC Other Parties to elect not to attend. There is a lack of any business case to demonstrate the costs being driven by SEC Other Parties (openly acknowledged by DCC in the session on 19 January). This would normally be a pre-cursor to starting such a Modification process yet this seems to have been raised and generated the very costs in review which it cites as the issue on the basis of ... (well it is frankly not clear on what basis this has been raised). 2. <i>Why does Appendix A need to be so long?</i> The fact that 30 Mods are documented and the paper runs to 20 pages would lead one to believe there a plethora of changes driven by SEC Other Parties yet a great deal are discounted within the table itself. It is misleading at best and plays to our first point on questionable impartiality of drafting. Please see our appendix table which summarises the 30 Mods included in Annex A which shows: • 22 (73%) of Mods either have no benefit for SOPs, weren't raised by an SOP, are withdrawn, rejected or on hold, or were raised by an SOP but benefit all SEC Parties. Note that DCC drove the need for MOD181 (based on incorrect information from their legal team). This solution could have been delivered without a Mod but, even so, in this example the user is paying so it is unclear why this is included as if it were a problematic modification. • 4 (13%) of the Mods benefit the majority of SEC Parties

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		2 (7%) benefit SOPs and others – one of which benefits RSA (who we would argue are an extension of Suppliers) – there is no cost quoted for these so it is clearly immaterial 2 (7%) benefited only SOPs. One of these is administrative in nature with no cost measured for the two of them. The second was recently discussed and is keenly supported by BEIS due to wider programme benefit 3. <i>There is an existing charging solution</i> to ensure the user / beneficiary pays and yet it seems that because DCC haven't been able to implement a regime under the existing governance, the suggested answer is to change it rather than implement what is already open to them. In short, the answer is included in the drafting of "the issue" (highlighted above in yellow for ease of reference); levy Explicit Charges. 4. DCC's own charging statement (see Paragraph 47) states that <i>service request cost make up 0.2% of its cost base</i>; this arguably justifies the decision by DCC (as highlighted in yellow) that charging may be administratively burdensome but also calls into question why this modification proposal is even needed for such an immaterial cost. 5. Notwithstanding points 3 and 4, in principle <i>we support ensuring that those who generate revenue from using DCC services should pay</i> and should not drive costs purely for their commercial gain. However, this can be managed without a review of Fixed Charges by DCC exercising its right to levy Explicit Charges. 6. <i>Homogenising SEC Other Parties ("SOP") is not possible</i> – this RFI at least acknowledges one major difference between SOPs which are DCC Users and those which aren't. Furthermore, RSAs and MDRs are extensions of suppliers in that they are operating purely to perform a service required (even mandated) of Suppliers. Whether those suppliers should pay via transactional charges (as in Q1-3) is a different question (and we believe they should) as we sympathise with the view that other suppliers and DNOs should not fund parts of a service for their competitors when they deliver that element of service in-house. 7. <i>Better governance is required</i>. A number of the Mods in Annex A are purely administrative and have only been raised as Mods in absence of another mechanism for minor corrections and changes to be made. These Mods (including SECMP0021, SECMP0047, MP084, MP133, MP182, MP204) are also minor in terms of cost yet their inclusion in Annex A serves to exaggerate the issue. One would also question if better governance and management of existing processes would prevent Mods being raised which are, ultimately, withdrawn. SECMP0012 is a good example of a Mod which could (arguably should) have been rejected prior to being raised into a full-blown Mod. Even this DP218 has been subject to much debate in terms of the legitimacy of how it has been raised and its validity and

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		level of support with one (or few) strong voice(s) apparently sufficient to keep it alive when there is arguably no issue and, if there is one, a solution already exists. 8. MP162 seems to have been the trigger for dissatisfaction among suppliers. From recent discussions on this RFI (notably the call held on 19th January) it is clear that many stakeholders have started to question allocation of charges off the back of MP162 which was pushed through despite being voted against by large suppliers. Suppliers feel aggrieved at this change being pushed through given that they pay 94% of DCC costs and voted against. We note that if you exclude the costs of this Mod from Annex A there is little of any scale left. There is a risk that we look to make wholesale change as a result of one problematic Mod linked to an industry change programme and the inability to recover costs from MDRs given uncertainty of the future take-up of the MDR service (and MDRs not being a defined group). We would suggest that, over time, the introduction of transactional charges, and their application to MDRs, would serve to reduce suppliers DCC charges serving to recoup their spend on MP162 if an element of fixed charges was allocated to the provision of the service. We see no reason why DCC charging methodology could be amended to deliver this by adding an overhead cost allocation to the incremental costs of delivering MDR services (thereby reducing fixed charges for those who pay them). Please see 'Summary of DP218 Annex A - SMA response' here - for feedback on 'Annex A - DP218 Assessment of modifications impacting or raised by Other SEC Parties v0.1'
Secure Meters	Other SEC Party	-
Trust Power	Non-SEC Party	We're happy we've covered the salient points in our answers to the previous questions.
CMAF members	Other SEC Party (Other Users)	It has been mentioned that Other SEC Party Service Requests have totalled ~0.2% of total costs. How much do the DP218 requestor(s) anticipate the 0.2% increasing by?

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		Given the surprise on the DP218 call to transaction charges being available to DCC, the governance of modifications should be considered to ensure requests are scrutinised appropriately first before progressing. SECAS has a role to play in the change process which is wider than just administrator, we are seeing in working groups and responses to consultations/modifications that one detractor can derail a whole project. This shouldn't be allowed to continue. We consider that MAPs provide value to the industry and SMIP and would like to continue to be involved; attending industry forums and the like. However, we are concerned that the potential for additional charges to be levied on us, may change this in the future.
Macquarie Leasing Limited	Other SEC Party	MAPs provide value to the industry and SMIP and would like to continue to be involved, however, Macquarie is concerned that the potential for additional charges to be levied on us, may change this in the future.
Northern Powergrid	Networks Party	Northern Powergrid's view is that the DCC services are not providing value for money. Technology has moved on since DCC contracts were signed in 2012 and it would appear the national smart metering infrastructure, notably the functionality in CSP North, does not cope with the demand at peak periods. Any change to the charging methodology needs to ensure access to and use of the services provided by the DCC is not discouraged or penalised. The DCC need to ensure they have mechanisms in place to exploit the investments made in infrastructure assets and accommodate increasing usage of the data and communication services. The different service level performance between CSP Central & South and CSP North has created a 'north south divide' which is particularly unpalatable as the DCC charge rate is common across all Network Parties. Charges for the national infrastructure provided by Data Communications Company (DCC) are significantly higher than the upper limit indicated by DECC when the national programme started. DCC charges are based on the number of MPANs in a Network Party area and do not take into account the number or type of smart meters deployed or the quality of the service being delivered. We believe that Network Parties in areas with more smart meters enrolled with the DCC, and more SMETS2 benefit disproportionately. There has been a disparity in smart metering roll-out levels in the areas covered by the two Communications Service Providers, with fewer SMETS2

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		being fitted in the CSP North area, versus CSP South & Central, due to various issues arising from differences in technical solutions. For CSP North SMETS2 meters, as message traffic increases to radio towers, so does the message failure rate. Attempting to collect data on a geographic basis is problematic, which is key to manage an electricity distribution network. Failure rates also rise as the message size increases. If we try to download a month's voltage data, when compared to a week's data, the performance is worse. Meters hold data in a number of registers and as these fill, they are overwritten. Meters hold some data for 13 months, other data for 3 months depending on the capacity of the register as determined in the SMETS. Downloading data from individual meters on an ad-hoc basis is possible. Accessing data from the entire population of smart meters using the CSP North network over a constrained period of time is not possible, resulting in data loss and a reduction in benefits that can be realised in the interests of electricity consumers. SMETS1 meters account for over 50% of Northern Powergrid's estate. The functionality available is more limited than SMETS2, therefore achieving benefits associated with Power Outage, Restore and Max Demand will not be possible. The customer service benefits of the rollout will not therefore be delivered at the same pace across the areas covered by CSP North and CSP Central & South, giving some Network Parties an advantage in terms of the customer satisfaction measures (BMCS). In addition, the proportion of SMETS1 meters installed in the CSP North region will be higher. This leads to an ongoing (rather than temporary) disparity in the disbenefit to the affected Network Parties. Northern Powergrid strongly believe that any review of DCC charges needs to address the issues of the network design in the North, motivate DCC to resolve the underlying root causes, whilst sufficiently compensating DCC Users impacted by CSP North problems on an enduring basis.
Hugo Technologies Limited (Hugo Energy App)	Other SEC Party	<u>Twice the Cost, Half the Progress: How Proposed DCC Changes Could Harm Energy Consumers and the Smart Meter Roll-out</u> The proposed changes to the Data Communications Company (DCC) charging methodology for Other Users could harm energy consumers and the smart meter roll-out. Energy consumers have already paid for DCC services through their energy bills and the proposed changes could result in them paying twice for the same service. This not only seems unjust, but it could also discourage the use of value-added services provided by innovative companies and slow down the progress of the smart meter roll-out.

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		These changes could also discourage innovation and competition in the energy industry and limit the choices available to energy consumers. The smart meter roll-out should aim to make energy more efficient, secure, and greener, not more expensive for consumers. It is important for energy consumers and Other Users to voice their concerns about these proposed changes to ensure the best decision is made for the future of the smart meter roll-out and the energy industry as a whole. <u>Creation of an Uneven Playing Field</u> By allowing supplier to collect the costs via a mandatory charge via their supply bill and force other users like Hugo to levy an optional charge would create an uneven playing field. The supplier would have no incentive to deliver technology and the benefits of smart data technology. Apps like Hugo would not be able to compete unless charging methodology was the same across all users. Hugo only exists because of the lack of competitive smart meter app technology amongst suppliers in the industry. Many suppliers' apps do not work and do not offer the user function to understand their energy usage. Yet the customers of these suppliers continue to pay for these service even though they receive no benefits from their suppliers. Paying end users turn to Hugo primarily when: 1. They have no working IHD 2. Their supplier offers no app services. 3. Their supplier refuses to upgrade or fix the issue even after Ombudsman complaints. They turn to Hugo and still manage to get the benefit of the their smart data that they have paid their supplier for in these circumstances. Hugo has forced suppliers to review their app technology, and many have decided to improve these services. If Hugo was taken out of the market due to the anti-competitive proposals of DP218 this overnight would reduce any incentives for suppliers to improve their smart metring technology services. We believe that the £700,000 we have invested to date in the development of Hugo would constitute a legal claim as this investment would not have been made had the SEC Code not stipulated that the DCC charges would collected on behalf of customers via their energy suppliers.

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		We also believe that the energy suppliers on the SEC Panel do not form an unbiased voting panel and would clearly vote in their own interests. We also believe this modification would merit referral to the Competition and Markets Authority because of the uneven playing field it would create between apps like Hugo and energy suppliers. <u>Lack of Transparency with Data for this Modification</u> The claim that has been made several times to support this modification is that “suppliers pay for the DCC”. We fundamentally disagree with this premise. The truth is suppliers collect money from domestic energy suppliers and this money is used to pay for the DCC services. A fair compromise would be to make the supplier DCC charges non-mandatory allowing consumer to choose how they pay for their data. To argue otherwise without any data is simply improper and against due process. There must be a accounting of the following if this modification is to continue: 1. How much has the DCC Service cost? 2. How much have the suppliers collected from energy customers to pay for these services? I fail to see how without a proper account of this there can be any dialogue about the charging methodology. The fact that this modification is going ahead without these facts and figures, notwithstanding the net benefits suppliers have gained, is alarming. It there is a natural conclusion that the SEC Panel heavily comprised of large suppliers is seeking a competitive advantage by pursuing this modification without any supporting data. And this cannot be the correct way to continue. Hugo Poll Suggestion We have a user base of 50,000 user and growing. We would be happy to poll these users about the proposed methodology. We are certain that consumers would confirm that they opt for Hugo because they have not so far been given value for their investment into smart meter data. The poll could ask the following to assist with the Modification:

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		1. Would you like to stop paying for DCC services through your energy bills and pay third parties of your choice? 2. Have you been satisfied with the technology you have been given from your energy supplier for smart metering purposes. 3. Would you be happy paying for the Hugo app and keep paying your [£ insert agreed amount] energy supplier; 4. Is it fair if Hugo has to collect a charge for the app but suppliers can collect a mandatory charge without the requirement to offer technology that meets your needs? Conclusion In conclusion, the proposed changes to the DCC charging methodology for Other Users could have negative impacts on energy consumers and the smart meter roll-out. The changes could result in consumers paying twice for the same service, limit innovation and competition in the energy industry, and create an uneven playing field between innovative companies like Hugo and energy suppliers. There is also a lack of transparency with the data used to support this modification, and the SEC Panel is heavily comprised of large suppliers seeking a competitive advantage. To ensure the best decision is made for the future of the energy industry and smart meter roll-out, it is important for energy consumers and Other Users to voice their concerns. A poll of Hugo's growing user base could provide valuable insight into the proposed changes and the preferences of energy consumers.
Landis+Gyr	Other SEC Party	The ambiguity of this RFI does little to engender confidence that there is a clear understanding of which type of party is being asked which question, and despite questions being asked in the recent communication, no clarification has been forthcoming. The action in the panel meeting calls for 'a set of proposals against which Other SEC parties/ Other Users could be charged' and this has been translated into a mod without a clear understanding of how this will be navigated which is clearly showing in the confusion around the Fixed Costs element of this mod to date. This is counter productive in driving cost into the analysis of this mod when the overall objective is to manage costs. We would wish to see a better case argued reflecting a true understanding of the costs before any mod is progressed.

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EDF	Large Supplier	(Confidential Comments)
Chameleon Technology UK Ltd	Other SEC Party	None at this time
Smart DCC	DCC	As DCC sets out in its Business Development Plan, we are seeking build on our core capabilities through the delivery of customer-led system enhancements; delivering new products and services where is demand from our customers. We consider that this should include enhancing existing systems and capabilities, as well as providing new functionality or complementary tools to enable customers to deliver their smart metering obligations more cost effectively or to develop new and innovative products and propositions. We think it is important that any consideration of changes to the charging framework take account of this and are considered holistically, in the context of DCC being asked by current and prospective customers to do more in terms of network re-use. Ultimately, we see network re-use as a way to drive down costs for use of the system overall.
Energy and Utilities Alliance (EUA)	Other SEC Party	Whilst we understand that there are potentially other drivers when it comes to charging those that increasingly Interface and use the DCC systems without currently incurring costs, we believe that there may have been some confusion with some of the terminology used in this RFI. To clarify our position, EUA has attempted to address the questions that we believe pertain to us i.e. a trade body and an 'Other SEC Party'. Any suggestion of charging us administration costs for SECAS and DCC would severely impact our ability to serve as An Other SEC Party, leading to longer term negative impacts that would outweigh any fixed charges levied. As mentioned EUA is responding this RFI on its own behalf. Whilst we mention known potential impacts to some of our members, it should be noted that this response is not intended to be construed as representing the EUA membership. We assume that individual members will respond directly themselves.

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Utilita Energy Ltd	Large Supplier	We believe that the first step in advancing these discussions is to agree the exact problem(s). We are supportive of the split into Use of System and broader general DCC (mainly modification) costs. Clear separation between other SEC Party and Other User charges should be made – this has seemingly already caused confusion. The range of business activity performed by Other Users makes this conversation challenging. It may be necessary to consider dividing this group further, for the sake of charging. We must ensure that the model enables the charging of those who benefit from an activity. Cross subsidisation must be avoided.
Hildebrand Technology Limited	Other SEC Party	We would likely take legal advice to challenge such a material change to terms of reference as we have put significant investment into systems and consumer engagement – this will be materially damaged. Furthermore we would seek political influence and organise consumers to voice their opinions.
British Gas	Large Supplier	<u>Reallocation rather than duplication of costs</u> In most cases, this will not be a duplication of costs, but a fairer allocation of costs to those that are benefitting. Consumers as a whole would not be paying more, but consumers who are using services from Other Users will be paying a share of that extra access, and Consumers who weren't would pay less. This is particularly important from a vulnerable customer point of view – vulnerable customers unlikely to benefit from these new services shouldn't have to pay towards them. <u>Innovation</u> We wanted to challenge the view that charging for access to the DCC is a barrier to innovation. That is not the case. The main barrier (cost, time) for New Entrants is navigating the DCC approvals and onboarding processes. It isn't the requirement to pay for valuable access to usage data once they are approved. This valuable data access should not be given away for free, giving new entrants a windfall opportunity. It should be valued (and the DCC System protected through governance and capacity investment), not given away for free.

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SMS PLC	Other SEC Party	The benefits of Smart, the DCC and digital energy is in its infancy, the digital spine DCC is building for the country is at a critical point, where innovation can drive the country to net zero and help consumers during a cost of living and energy crisis. This is the wrong time and may well drive innovators away from using the smart meter system

Any other comments

Additional comments via SEC website		
Respondent	Category	Response and rationale
Teodor Ontanu (consumer)	Non-SEC Party	(Confidential Response)
Gerald Goldner (systematic energy)	Non-SEC Party	I have been involved with energy users across the energy spectrum for over 30 years. Many end users had no accurate means of profiling their energy usage and wastage in all areas of end-user consumption. In the non-half-hourly end users, the lowering of the profile codes to get more half-hourly data has seen a marked improvement in being able to deal with energy wastage effectively. The driving force for the introduction of smart meters for small businesses and domestic end users was to provide a visual display of usage patterns and to be able to spot wastage. However, the home display features are poor and mainly ignored. Many domestic end users refuse to have smart meters. What they do not realise is that they are paying for the smart meter schemes through their energy bills. There are at least two free-to-use app suppliers who provide useful and effective user interfaces. If the app suppliers have to pay for the DCC usage, then end users will be paying twice. With the growth of flexible tariffs, end users need more accurate data to encourage their up take of the smart DCC. Please allow the free use of DCC to non-suppliers. This will also encourage the up take of more smart meters

'Summary of DP218 Annex A - SMA response'

Below is Smart Meter Assets 1 Limited's feedback on 'Annex A - DP218 Assessment of modifications impacting or raised by Other SEC Parties v0.1'.

Category	Count	% of MOD requests	Costs	MOD references	Comments
Total	30				
SEC Other Parties will pay for costs	1	3%	N/A	MP181	Not sure why this is even included - this should be being held up as how user can (and is prepared to) pay
Raised by DCC	2	7%	£188k, £5.2m	MP140, MP162	1. SEC Other parties do not even benefit from MP140 - why is it included in the list? 2. MP162 is a result of a mandatory industry - cost of implementation has not been driven by SEC Other Parties. Discussion on transactional charging for MDR is valid but not relevant when assessing change costs
Withdrawn	7	23%	None quoted	SECMP0012, DP132, DP136, DP151, MP177, MP182, DP190	1. The generic point on costs having being incurred prior to withdrawal has been made yet, if material, would they not have been quantified? 2. This is the first filter - many of these MODs would have been categorised in another category below if not captured here.
Rejected	2	7%	None quoted	SECMP0021, MP084	A generic point on costs having being incurred prior to rejection has been made yet, if material, would they not have been quantified?
Acknowledged that SEC Other Party was asked to raise and does not necessarily benefit SOPs	2	7%	None quoted	MP123, MP204	
On hold	1	3%	None quoted	DP197	If DP197 progresses, the only SOP to "benefit" is RSAs who are acting on behalf of a supplier / suppliers (in ordering comms hubs)
Benefits Suppliers and RSAs	1	3%	None quoted	MP210	
Acknowledged as "benefiting <u>all (or almost all)</u> SEC Parties"	6	20%	£260k	SECMP0039, MP101, MP143, MP144, MP184, DP206	
Acknowledged as "benefiting <u>the majority of</u> SEC Parties"	4	13%	£851-£1,050k	MP111, MP112, MP207, MP216	1. MP207 - the only SOP to "benefit" are RSAs who are acting on behalf of a supplier / suppliers 2. MP111 relates to SMDA - the scheme to help suppliers demonstrate their compliance with the obligation to ensure and show interoperability and interchangeability of the meters they are installing (£700k of the cost)
Benefits SEC Other parties and others	2	7%	None quoted	MP133, DP222	1. MP133 was administrative in nature and only benefited RSAs (who are an extension of suppliers)
Only benefits SEC Other Parties	2	7%	None quoted	SECMP0047, MP172	1. SECMP0047 was administrative in nature 2. When MP172 was discussed at SCIRS, BEIS were keen to keep this live and the table notes that all would benefit from this MOD

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