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Action:	For Decision
Acronyms and Defined Terms SEC Glossary	

Draft Panel Response – VWAN Network Policy Proposals

1. Purpose

This paper provides the Panel with a draft response to the [DESNZ consultation on Virtual Wide Area Network \(VWAN\) policy proposals](#). The consultation closes on 28 February 2025.

The Panel is requested to approve the draft response contained in Annex 1 of this paper.

2. Background

On 12 December 2023, DESNZ issued a consultation on proposals to establish arrangements whereby communications with Smart Metering Systems installed in premises with no Wide Area Network could be established via the DCC through use of the consumer's internet connection. The consultation closed on 15 January 2024; 24 responses were received, with most respondents supportive or giving qualified support for the proposals.

On 24 October 2024, DESNZ issued a partial response to its December 2023 consultation, confirming that it would continue to progress the VWAN solution alongside other technologies. On 26 November 2024, DESNZ concluded that it would bring forward changes to Supply Licence Conditions and the SEC to implement the VWAN Arrangements.

DESNZ has now issued a further response to the December 2023 consultation and is seeking views on policy proposals and governance. SECAS and the Operations Group (OPSG) Chair have prepared a consultation response which has been reviewed by the Sub-Committee Chairs. The response will also include views from the Security Sub-Committee (SSC) once agreed by SSC members following discussion at SSC 209 on 12 February 2025.

The consultation closes on 28 February 2025.

3. Recommendations

The Panel is requested to **AGREE** the draft response in Annex 1 may be submitted to DESNZ, subject to any comments from the Panel and final agreement with the Panel Chair.

Christopher Thompson

SECAS Team

18 February 2025

Attachments

- Annex 1 – Draft Panel Response

Annex 1 – Draft Panel Response

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Via email: smartmetering@energysecurity.gov.uk

XX February 2025

DESNZ Consultation – POLICY FRAMEWORK FOR SMART METERING SYSTEMS CONNECTED TO THE DCC VIA THE CONSUMER'S INTERNET CONNECTION

Dear James,

The Panel is pleased to respond to your consultation on policy proposals related to the Virtual Wide Area Network (VWAN).

The Panel acknowledges that the introduction of VWAN will provide a connectivity solution for those consumers residing in a region or area that is unsupported by the current cellular and Long-Range Radio smart meter infrastructure. As such, we fully support the development of these arrangements, and therefore encourage DESNZ to work with the DCC to deliver the VWAN solution at the lowest possible cost, as quickly as possible. The SEC Panel and Sub-committees are happy to support DESNZ and the DCC, as required, in the development of this solution.

We are generally supportive of your latest policy proposals as set out in Section 4 of the consultation and have included additional observations on specific points below.

Communications Hubs (4.2, 4.3)

We agree that it is beneficial to have the functionality included in the 4G Communication Hubs (CHs) and that existing 4G CHs will be capable of upgrading to include the functionality. We expect that as part of DCC's plans to introduce 4G cellular technology in the CSP North region, the required regulatory changes will have been delivered ahead of the VWAN arrangements being ready for mass deployment.

Installation (4.4 – 4.6)

We note the proposals relating to consumer consent, rollout targets (including associated regulatory obligations), and consumer charging. We suggest that further DESNZ engagement with Energy Suppliers is undertaken to deliver a proportionate policy framework for consumers and Energy Suppliers. Engagement with consumer bodies, such as Citizens Advice, would also be beneficial.

Reporting (4.7, 4.8)

We support these proposals and suggest that reporting should also be provided to monitor progress and operational performance/usage and capabilities. For example, reporting on a more granular level, providing details of Service Request Variants (SRV) success and alerts from Communications Hubs that are specifically operated through VWAN arrangements. The SEC Panel will direct its Operational Group (OPSG) sub-committee to work with the DCC to put the necessary reporting framework in place.

Operational Requirements (4.9, 4.10)

We note the proposals relating to Energy Suppliers' operational licence conditions. We suggest that further DESNZ engagement with Energy Suppliers is needed to deliver a proportionate policy framework for consumers and Energy Suppliers.

VWD Firmware Maintenance (4.11 – 4.16)

We support the intent of the proposals to ensure ongoing operation of a Virtual WAN Device (VWD); however, we believe further detail may be needed, to ensure clarity on the requirements for providers/manufacturers of VWDs. Where there are similar processes /approaches that have been tested over time (such as Great Britain Companion Specification (GBCS) development), we believe those should be adopted to minimise development time and industry's effort to engage with a new process. SEC Sub-Committees, including the Technical Architecture and Business Architecture Sub-Committee (TABASC) and Security Sub-Committee (SSC) can help support development of the technical aspects of Firmware Maintenance.

Replacement of VWD (4.17 – 4.19)

We understand the rationale behind the proposal; however, we note that DESNZ ascribes a 0.1% failure rate. Such a failure rate cannot be ascribed to untested hardware; our experience in the CSP North makes us concerned that this failure rate, and therefore the number of potential exchanges, could be far higher.

We are also concerned that when a customer changes their internet provider, they could forget to update their VWD and there may be unnecessary calls out for the Energy Supplier as the consumer could be unaware of the cause of the issue. We note the proposals related to Energy Suppliers' operational obligations; therefore, we suggest further DESNZ engagement with Energy Suppliers is undertaken to deliver a proportionate policy framework for consumers and Energy Suppliers.

Consumer Consent (4.20 – 4.26) and Keeping Consumers Informed and Refreshing Consumer Consent (4.27 – 4.30)

We note the proposals related to detailed aspects of consumer consent; therefore, we suggest further DESNZ engagement with Energy Suppliers is needed to ensure a proportionate policy framework that delivers for consumers and Energy Suppliers. We note that consumer bodies, such as Citizens Advice, has undertaken research into consumer views and could have valuable insight for this policy development.

Fees for VWD (4.31)

We agree with these proposals given the clear precedent already set with Smart Metering Systems, In Home Displays (IHDs) and Alt HAN equipment.

Use of VW solution in Pre-Payment Mode (4.32 – 4.37)

We welcome the acknowledgement that consumers on prepayment mode need further careful consideration.

Statement of Service Exemptions (4.38)

We agree with this proposal, specifically as the connection to the DCC is entirely dependent on consumer behaviour.

Defaulting to WAN (4.39, 4.40)

We agree that where a reliable WAN is available, the CH should default to the WAN as it would be beneficial not to have to rely on the cooperation of a consumer to maintain connectivity. SEC Sub-Committee TABASC can help support development of the precise details of the defaulting rules, which would apply across all CSP Regions.

VWD Security (4.41 – 4.43)

SSC content to be included here to be provided by Gordon.

Cost Recovery (4.44)

We agree with the proposal that costs should be part of general DCC infrastructure. Another form of specific charge would become unduly complex where a VWAN site defaults to WAN and then reverts to VWAN again.

We also note that there will be sites that have had a non 4G CH installed, but that CH does not currently operate due to a no WAN situation (a Smart Meter Not Operating in Smart Mode (SMNOSM)) despite the premise being identified as suitable for a CH according to the coverage checker. In these circumstances, the Supplier will have to replace the CH even though it is not the fault of the Supplier (like the 2G/3G swap out costs as part of the 4G CH rollout). The costs of the CH visit and exchange in this scenario must be considered and agreed with Suppliers.

Device Labelling (4.45, 4.46)

We agree that there should be an obligation to provide device labelling. Labelling will ensure clarity for the consumer that their smart metering system may be relying on the VWD and its connection through the consumer's broadband connection for smart meter-related communications. We suggest that these labels are in a standard form with standardised wording and would welcome discussions with DESNZ on potential options.

Manufacturer Certificates (4.47)

We agree that it would be beneficial to obligate VWD manufacturers to become SEC Parties, and Eligible Subscribers, for the relevant certificates and to access the necessary Certificates from the Repository.

Potentially additional content from SSC.

We would be happy to provide further details where necessary and to assist with any clarifications. Please do not hesitate to contact SECCo Head of Industry Operations, Jason Stevens at Jason.Stevens@seccoltd.com or Head of Code and Regulatory Strategy, Alina Bakhareva at Alina.Bakhareva@seccoltd.com.

Yours Sincerely,

Angela Love, Chair – SEC Panel