

This document is classified as **Clear** in accordance with the Panel Information Policy. Recipients can distribute this information to the world, there is no limit on disclosure. Information may be shared without restriction subject to copyright.

Paper Reference:	SECP_147_1612_06
Action:	For Decision
<u>Acronyms and Defined Terms SEC Glossary</u>	

Consultations Update – December 2025

1. Purpose

This paper outlines the key messages that will be used for the response to the following open consultations:

- Ofgem consultation on DCC Price Control for 2024 to 2025;
- DESNZ consultation on the minded to position on the baseline project performance assessment (BMPPA) scheme for the enduring change of supplier (ECoS) arrangements;
- DESNZ consultation on a DCC BMPPA scheme for ensuring continuity in the provision of the Smart Metering Key Infrastructure Service (SMKIS);
- DESNZ consultation on remaining SEC subsidiary document changes for Virtual WAN (VWAN) soft launch and updated version of the VWAN transition document; and
- Ofgem statutory consultation on establishing a harmonised prioritisation process in the industry codes.

The Panel is requested to discuss the messages outlined for each consultation and delegate approval of the final responses to the Panel Chair.

2. DCC Price Control – 2024 to 2025

Ofgem published [this consultation](#) on 07 November, with responses invited by 05 January 2026. This consultation seeks views on the DCC price control proposals for the regulatory year 2024 to 2025.

The key messages we propose the SEC Panel response focuses on are:

- **OPSG review** – The OPSG will be discussing this consultation at its meeting on 9 December. We will provide an update at the Panel Meeting on the discussion and points the group consider should be raised.
- **Stability and Cost Certainty** - We support a framework that provides as much cost-certainty and transparency as possible throughout the regulatory year. Certainty over costs and

expenditure benefits industry participants (who ultimately fund the charges recovered from consumers) by enabling more robust planning. It also reduces the risk for DCC of unexpected volatility where costs are subsequently disallowed. Improved clarity and timely communication around emerging costs or changes in forecast expenditure therefore helps to promote stability and predictability for all Parties.

- **SEC Finance Sub-Committee (FSC)** – We note that the FSC will provide an important feedback mechanism for DCC costs in future, providing an opportunity to understand industry opinion and support for proposed activities. The FSC will also provide a valuable platform for sharing information on costs as the Panel is currently providing input to Ofgem consultations on costs and proposed disallowances with little or no visibility of the costs that DCC intends to recover.
- **Ex-ante** – We recognise that this existing process is nearing the end of its life with the upcoming change to an ex-ante funding model. However, we encourage Ofgem and DCC to work collaboratively to ensure the remaining years of the current process are effective, transparent, and focussed on delivery value to industry. We also expect lessons learnt from the process to be considered and applied to the future ex-ante approach.
- **Engagement** – The SEC Panel is keen to support Ofgem's DCC price control process by identifying ways to help DCC engage with Parties earlier and in a more detailed manner, reducing the risk of cost disallowances due to insufficient stakeholder engagement.

3. BMPPA Scheme for the ECoS Arrangements

DESNZ published [this consultation](#) on 13 November, with responses invited by 09 January. This consultation sets out, and invites views on, DESNZ's minded-to position on the scores that should be awarded for each element of the BMPPA Scheme for ECOS Arrangements.

The key messages we propose the SEC Panel response focuses on are:

- **Broad acceptance of Panel's previous assessment** – We welcome that DESNZ has accepted the large majority of the Panel's assessment of DCC's performance against the ECoS BMPPA, submitted in January 2025 in response to the previous consultation on this topic.
- **Two material divergences** – There are two areas where DESNZ's view is different from the Panel's submission:
 - **Taking account of Customer Views (Step D)** – The previous SEC Panel response was taken from limited responses and sub-committee views; DESNZ has provided additional context, which is further supported by anecdotal evidence we have received from Parties that communications and project management has improved in the latter half of the programme. Therefore, we concur with DESNZ's revised scoring for this aspect.
- **Contract Management (Step A)** – The Panel previously considered contract management to be an area of weakness. However, the DCC assessment submission noted that the Data Services Provider (DSP) contract was terminated in November 2024 and therefore DESNZ has set the weighting to zero. Therefore, this has no impact on the financial outcome.

4. BMPPA Scheme for SMKIS

DESNZ published [this consultation](#) on 17 November, with responses invited by 12 January. This consultation seeks views on the proposed BMPPA Scheme for the DCC's implementation of the SMKI programme. The aim of the Scheme is to incentivise the DCC with regards to the timeliness and quality of the SMKI service, through determining how much margin it may retain with reference to such criteria.

The key messages we propose the SEC Panel response focuses on are:

- **Support for DESNZ proposals** – The SEC Panel agrees that the BMPPA Scheme is an appropriate mechanism to incentivise timely and high-quality delivery. We also agree that a 90-calendar-day period is appropriate, as it provides a balanced timeframe for assessing compliance with the Live Service Criteria, allows for thorough review and governance processes, and aligns with previous BMPPA schemes without introducing unnecessary delay or risk.
- **Engagement** – We welcome the proactive engagement with both the SMKI Policy Management Authority (SMKI PMA) and Security Sub-Committee (SSC) throughout the development process.
- **Delivery and quality expectations** – We expect the DCC to meet the implementation date and deliver the service to the agreed quality criteria.

5. VWAN Transition Document V3

DESNZ published [this consultation](#) on 16 November, with responses invited by 12 January. This consultation seeks views on the proposed changes to SEC Subsidiary Documents in advance of Soft Launch of the Virtual WAN arrangements planned for January 2026. It also seeks views on the need for additional testing and assurance to support any changes to the WAN Selection Arrangements.

The key messages we propose the SEC Panel response focuses on are:

- **Subsidiary document updates** – The SEC Panel has no comments or concerns regarding the proposed changes to the SEC subsidiary documents at this time.
- **Testing and Assurance** – We consider additional testing and assurance essential for any change to WAN Selection Arrangements. Early visibility of potential testing concerns and proactive engagement from the DCC will be critical to address technical challenges and ensure SEC Parties can meet the necessary requirements for approval and deployment of these changes. We would welcome a consultation on the scope and approach to this additional testing to maintain confidence in the changes.
- **Designation into the SEC** – The SEC Panel agrees with the proposed re-designation date of 30 January 2026.

6. Industry Codes Prioritisation Process

Ofgem published [this statutory consultation](#) on 20 November, with responses invited by 12 January. This consultation seeks views on Ofgem's proposals to harmonise code modification prioritisation processes across all energy codes. The objective is to support the introduction of the Strategic Direction Statement (SDS) and enable the transition towards reformed code governance arrangements. It

focuses on four areas: prioritisation process, prioritisation criteria and categories, prioritisation governance and policy implementation.

The key messages we propose the SEC Panel response focuses on are:

- **Timing** – We agree with Ofgem’s rationale for implementing a harmonised prioritisation process across all codes prior to Code Manager licensing.
- **Cross Code Steering Group (CCSG)** – We support the role of the CCSG in managing cross-code modifications and ensuring effective coordination of consequential and parallel changes across codes. To deliver this effectively, we believe attendance should be representative across the relevant codes and code bodies when decisions take place, and membership must include individuals with the right expertise across all impacted codes and processes. This will help ensure that decisions are informed, consistent, and reflect the full range of technical and operational considerations.
- **Decisions on prioritisation** – We support Ofgem’s statement that the proposed prioritisation policy and guidance will apply under the current code governance framework and will be kept under review, with amendments consulted on when Code Managers are appointed. We understand that these future amendments will explicitly confirm that Code Managers will assume responsibility for making prioritisation decisions, utilising input from the Stakeholder Advisory Forum (SAF), in line with the future governance model.
- **Reprioritisation for existing modifications** – We support the proposal to apply the new Prioritisation Criteria to all live modifications once the policy takes effect. Our initial analysis indicates that, to conduct this process properly – including engaging with proposers and securing Change Sub-Committee approval – we would require until end of August 2026. This is particularly important given that we typically experience a peak in new modifications being raised during the winter months (which is currently the case) and we would not want to detract from progressing those new modifications to carry out an administrative activity.
- **Central modification register** – We seek clarification on how the central modifications register will be updated to reflect the new prioritisation process, including biannual/ad-hoc reviews and the requirement to publish justification for prioritisation decisions.
- **Prioritisation review** – We agree with moving from quarterly reassessment of live modification prioritisation to a biannual schedule with ad-hoc reviews, as this reduces unnecessary administrative burden while allowing flexibility to respond to emerging priorities.
- **Equal weighting of criteria** – The term “equal weighting” can be misleading, as it implies a rigid scoring model that may not account for the varying significance of different criteria in practice. A phrase such as “joint consideration” (or “considered in conjunction”) better reflects the expectation that panels review criteria collectively, applying proportionate judgment informed by context and practical realities.

7. Recommendations

The Panel is requested to:

- **DISCUSS and COMMENT** on the key messages for the consultations detailed in the paper; and
- **AGREE** to delegate approval of the final responses to the SEC Panel Chair.

Oli Meggitt

Senior Strategy Manager

08.12.2025