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# SECMP0066 Initial Modification Report

## About this document

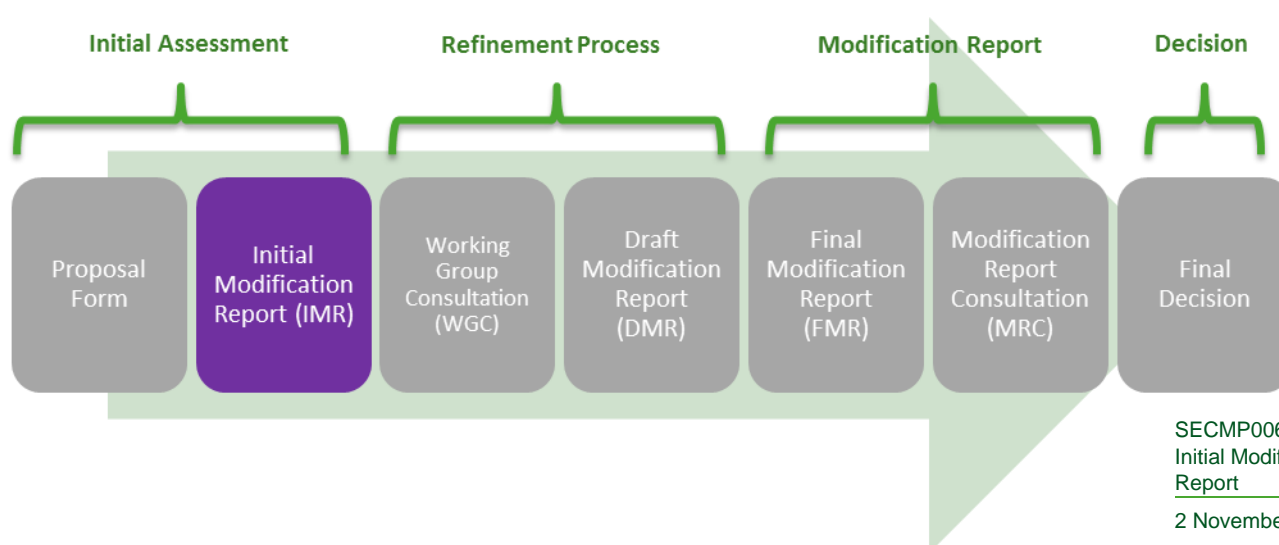
This Initial Modification Report (IMR) contains our initial assessment of SECMP0066 'Advanced Shipment Notifications (ASN) for Consignment of Communications Hubs'. It also provides information on the issue, the Proposer's solution, potential impacts, costs and proposed progression.

**This document is submitted to the Smart Energy Code (SEC) Panel for consideration to determine how this Modification Proposal should be progressed through the Modification Process.**

As part of this document the Panel will be invited to:

- **AGREE** that this modification should be submitted into the Refinement Process to be assessed by a Working Group; or
- **AGREE** whether this modification should be progressed as an Urgent Modification;
- **AGREE** the progression timetables set out in Section 6; and
- **AGREE** that SECMP0066 should be progressed as a Path 2 Modification Proposal.

## Where are we in the process?



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## Stage 01: Initial Modification Report

# SECMPO0066:

# Advanced Shipment Notifications (ASN) for Consignment of Communications Hubs.

What stage is this document in the process?

01	Initial Assessment
02	Refinement Process
03	Modification Report
04	Decision

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## Summary

This Modification seeks to amend the SEC to increase the minimum notice period that the Data and Communications Company (DCC) must offer a Party about Advanced Shipment Notifications (ASN) for the Consignment of Communication Hubs.

## Proposed Progression

This Modification Proposal is recommended to be:

**P2**

- progressed as a Path 2: Authority Determined; and either:
- treated as an Urgent Modification Proposal and proceed as such under a timetable agreed by the Authority; or
- if Urgency is not granted, the Modification is recommended to be progressed through the Refinement Process for three months.

**3**  
Months

## Potential Impacts



- Large Suppliers;
- Small Suppliers;
- Other SEC Parties;
- DCC Central Systems; and
- Communication Hubs.

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## About this Document

This is an Initial Modification Report (IMR). This document contains details of the issue, solution, potential impacts and costs as well as the proposed progression for SECMP0066.

This document has one attachment:

- Attachment A contains the SECMP0066 Modification Proposal Form.

The Panel will consider this IMR at its meeting on 9 November 2018 and determine whether this modification should be progressed through the Modification Process.

## 1. Summary

### What is the issue?

Currently, the DCC must offer a Party that has ordered a Consignment of Communications Hubs a minimum of two working days' notice that an Advanced Shipment Notification (ASN) for that Consignment is available via the Order Management System (OMS).

However, the Proposer's operational experience suggests that 48 hours' notice is too narrow a window for installation and logistics partners, which is significantly increasing the risk of delivery refusals.

### What is the Proposed Solution?

The Modification proposes to amend [SEC Appendix H 'CH Handover Support Materials'](#) to increase the minimum notice that DCC must offer a Party regarding ASN's for the Consignment of Communication Hubs.

### Potential impacts

#### Party

Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties		Gas Network Parties	
Other SEC Parties	X		

#### System

DCC Systems	X	Party interfacing systems	
Smart Metering Systems		Communication Hubs	X
Other systems			

### Potential implementation costs

SECAS believe that the cost to implement SECMP0066 will be made up of SECAS and DCC time and effort. The total estimated cost to deliver this modification will be determined as part of the Working Group's assessment.

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## Proposed progression

The Proposer recommends that SECMP0066 is progressed as an Urgent Modification Proposal and is progressed as a Path 2 'Authority Determined' Modification Proposal.

SECAS recommends that this Modification is not treated as Urgent, goes through a three-month Refinement Process and is progressed as a Path 2 'Authority Determined' Modification Proposal.



## 2. What is the issue?

### Background

Currently, Suppliers must update Communication Hub asset data onto the password protected DCC Smart Meter Inventory (SMI); a process that cannot readily be automated. The minimum two-day notice period established in the SEC is, therefore, insufficient, in the Proposer's view, to reasonably allow the efficient processing of this data onto the SMI. This has led to an unacceptably high incidence of delivery refusals which drive up the costs of Smart Metering Implementation.

### What is the issue?

Section 5 of SEC Appendix H stipulates that where a Party has ordered a Consignment of Communications Hubs, the DCC must offer that Party a minimum of two working days' notice that an ASN for that Consignment of Communications Hubs is available via the OMS.

However, the Proposer's operational experience suggests that 48 hours' notice, as set as a minimum in the SEC, is too narrow a window for installation and logistics partners and thus is significantly increasing the risk of delivery refusals.



### 3. Solution

#### Proposed solution

SECMP0066 'Advanced Shipment Notifications (ASN) for Consignment of Communications Hubs' was raised by Scottish Power on 29 October 2018. It proposes to amend SEC Appendix H to stipulate that where a Party has ordered a Consignment of Communications Hubs, the DCC must offer that Party a minimum of 10 Working Days' notice that an Advanced Shipment Notification (ASN) for that Consignment of Communications Hubs is available via the Order Management System (OMS).

This arrangement will provide Suppliers with enough time to update Communication Hub asset data onto the Smart Meter Inventory (SMI), as well as reducing the number of delivery refusals and in turn aiding in the reduction of overall costs of Smart Metering implementation.

#### Views against the General SEC Objectives

The Proposer believes that this Modification Proposal better facilitates General SEC Objectives (a)<sup>1</sup>, (b)<sup>2</sup> and (d)<sup>3</sup>.

- **Objective (a):** The definition of a Smart Metering System is that it satisfies a version of the SMETS. In this case, the Proposer is interested in SMETS2, a specification that includes a Communications Hub provided by the DCC. The current two-day minimum parameter, which in the Proposer's view has also become the de facto maximum notice period, is proving inefficient by giving rise to material cost increases.
- **Objective (b):** Again, it is the manifest inefficiencies that arise from the application of a two-day notice period that the Proposer seeks to address with these proposals.
- **Objective (d):** The Proposer does not believe that the minimum ASN notice period was ever intended to also be read as the maximum. Nevertheless, such interpretation is now resulting in deliveries of Communications Hubs being turned away; undermining logistic solutions and adversely affecting all concerned.

<sup>1</sup> Facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

<sup>2</sup> Enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence;

<sup>3</sup> Facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy



For the avoidance of doubt, the Proposer believes that this modification is neutral against all the other SEC Objectives.



## 4. Potential Impacts

The following section sets out the initial assessment of likely impacts and costs should SECMP0066 be approved and implemented. Hi Additional impacts and costs may be identified by the Working Group as part of the Refinement Process.

### SEC Party impacts

Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties		Gas Network Parties	
Other SEC Parties	X		

Large and Small Supplier Parties, as well as Meter Operators, will all benefit from the implementation of these proposals by experiencing fewer instances of delivery refusals.

### Central System impacts

DCC Systems	X	Party interfacing systems	
Smart Metering Systems		Communication Hubs	X
Other systems			

The OMS and the process for SharePoint file generation might need to be altered to allow notifications to be issued according to different parameters.

### Testing

The OMS might need to be tested.

### SEC and Subsidiary Document impacts

Changes will be required to SEC Appendix H 'CH Handover Support Materials'.

### Impacts on other industry codes

There are no impacts to other industry codes.



## Greenhouse Gas Emission impacts

There are no Greenhouse Gas Emission impacts.



## 5. Potential Costs

### Potential implementation costs

The cost to implement SECMP0066 is expected to include the following:

- SEC Administration time and effort for:
  - making the necessary amendments to the SEC;
  - releasing a new version of the SEC to SEC Parties; and
  - publication of this on the SEC website.
- DCC time and effort for:
  - developing the necessary changes to the minimum two-day notice period;
  - Order Management System testing; and
  - implementation to live.

The estimated costs and effort will be determined as part of the Working Group's assessment and development of the modification.

## 6. Proposed Progression

### Modification Path

We and the Proposer recommend that SECMP0066 be progressed as a Path 2: Authority Determined Modification Proposal. This change would have a material impact on the arrangements in SEC Appendix H, meeting the criteria in Section D2.6(d) to require Authority determination.

### Progression as an Urgent Modification

The **Proposer** is recommending that SECMP0066 is progressed as an Urgent Modification. They note that minimum 48-hour window is already having a significant operational impact on their smart meter deployment.

**SECAS** disagrees with the need for Urgency and does not believe this issue would meet the [criteria for Urgency provided by Ofgem](#). We also believe a decision can be achieved in a timely manner using the standard process.

As Urgency has been requested by the Proposer, the Panel will need to make a recommendation to the Authority on whether this should be granted and, if Urgency is granted, what process and timetable should be followed. The Authority will then make a decision on whether to grant Urgency and, if it is granted, the process and timetable to follow.

We recommend that the Panel also agrees the timetable to be followed if Urgency is not granted, to enable efficient progression of this modification.

### Proposed progression

We believe there is benefit in forming a Working Group to discuss this issue with other Parties, in particular Suppliers, and understand if the proposed solution is the best approach. We believe this discussion would be beneficial regardless of whether Urgency is granted.

Although SECMP0066 will likely impact on DCC's logistical operations, our initial conversations with DCC suggest it is not expected to impact on DCC Systems. We have therefore not budgeted for DCC Assessments to be undertaken.

If SECMP0066 is progressed as an Urgent Modification, we recommend the following progression timetable for Panel consideration. We have sought to use the scheduled Panel and Change Board meetings in preparing this timetable.

Activity	Date
Modification Proposal raised	29 Oct 18

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Activity	Date
IMR presented to Panel	09 Nov 18
Working Group meeting	W/B 19 Nov 19
Working Group Consultation	26 Nov 18- 30 Nov 18
Panel considers Modification Report	14 Dec 19
Change Board vote	19 Dec 18
Modification Decision by the Authority	TBC

If Urgency is not granted, we recommend that this modification is submitted for a three-month Refinement and assessment by a Working Group. This three-month timeframe will allow for:

- a full Working Group assessment to take place (approx. one to two Working Group meetings); and
- A 15 Working Day industry consultation to be issued and reviewed.

Activity	Date
Modification Proposal raised	29 Oct 18
IMR presented to Panel	09 Nov 18
Working Group Meeting	W/B 19 Nov 18
Working Group Consultation (accounting for the holiday period)	07 Dec 18 - 04 Jan 19
Working Group Meeting (if required)	W/B 14 Jan 19
Panel reviews Modification Report	15 Feb 19
Modification Report Consultation	18 Feb 19 - 11 Mar 19
Change Board Vote	Mar 19
Authority Decision	Apr 19

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## Working Group

### Membership

We recommend that the SECMP0066 Working Group be made up of individuals with expertise in Consignment of Communication Hubs and the Order Management System and any other interested Parties.

### Terms of reference

Following the implementation of [SECMP0050 'Section D Review: Moving the Working Group Terms of Reference to a separate document'](#) on 1<sup>st</sup> November 2018, the Panel may choose to direct a variation to the agreed Working Group Terms of Reference for specific Working Groups if it is felt this would be necessary. If Urgency is granted, the Panel may wish to consider if the rules for quoracy of the Working Group should be amended to facilitate a meeting taking place as per the proposed timetable.

In addition, we believe the Working Group should consider the following question in addition to the standard areas of assessment:

### Is 10 Working Days an appropriate minimum notification duration?

The Proposer believes that a minimum of 10 Working Days' notice is necessary that an ASN for a Consignment of Communications Hubs is available via the OMS. The Working Group should consider if this is an appropriate minimum duration, and the benefits and drawbacks this would have over the current two Working Days. The Working Group should also consider if an alternative minimum duration would be more appropriate.



## 7. Recommendations

The Panel is invited to:

- **AGREE** that SECMP0066 should be progressed as a Path 2 Modification Proposal;
- **AGREE** the terms of reference for the Working Group; and
- **RECOMMEND** to the Authority that SECMP0066 is **not** treated as an Urgent Modification.

Should Urgency be granted by the Authority, the Panel is invited to:

- **RECOMMEND** to the Authority the corresponding progression timetable set out in Section 6.

Should Urgency not be granted by the Authority, the Panel is invited to:

- **AGREE** that this modification should be submitted into the Refinement Process; and
- **AGREE** the corresponding progression timetable set out in Section 6.

## Appendix 1: Glossary

The table below provides definitions of the terms used in this document.

Acronym	Defined Term
ASN	Advanced Shipment Notification
CH	Communications Hub
DCC	Data and Communications Company
CH	Communications Hub
IA	Impact Assessment
IMR	Initial Modification Report
OMS	Order Management System
PA	Preliminary Assessment
SEC	Smart Energy Code
SMI	Smart Meter Inventory