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SECMP0060

‘Amend Requirements to Remove ‘Pending’ Communications Hubs from the SMI’

Modification Report

Version 0.2

Administered by



About this document

This document is the Modification Report for [SECMP0060 'Amend Requirements to Remove 'Pending' Communications Hubs from the SMI'](#). It provides detailed information on the background, issue, solution, costs, impacts and implementation approach. It also summarises the discussions that have been held and the conclusions reached with respect to this Modification Proposal.

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This document also has three annexes:

- **Annex A** contains the business requirements for the proposed solution.
- **Annex B** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the proposed solution.
- **Annex C** contains the full Data and Communications Company (DCC) Preliminary Assessment response.

1. Summary

Currently under the SEC, any device in the SMI with a 'Pending' status must be removed by the DCC after 12 months if the status has not changed. Delays to the SMETS2 rollout programme has led to multiple Communications Hub devices still being listed as 'Pending' and potentially needing to be removed from the SMI. The requirement in its current form is a potential barrier to the rollout and the affected assets could be obsolete to Users in their current state. This is due to DCC Users being unable to install devices that have been removed from the SMI list and therefore increases the likelihood of older device models not being used and being charged by the DCC through the Communication Hub Stock Level Charges as specified in the [SEC Section K 'Charging Methodology'](#).

SECMP0060 proposes to increase the time period before removal from 12 months to 36 months.

This modification will impact all Supplier Parties and the DCC. Originally this modification had no anticipated impacts on DCC Central Systems, but as part of the Working Group's assessment and changes to the solution, the DCC Systems will be impacted by the modification. The total central estimated implementation cost of the modification will be between £68,200 and £85,200. The Working Group recommends this modification is included in the November 2019 SEC Release.

2. Background

What is the SMI?

The SMI is a list that is maintained by the DCC which contains all the devices which DCC Users can install and that can communicate with the DCC. Under the SEC, any device in the SMI with a 'Pending' status must be removed by the DCC after 12 months if the status has not changed. Delays to the SMETS2 rollout programme has led to multiple devices still being listed as 'Pending', which will need to be removed from the SMI. A device that is removed from the SMI list cannot be installed by DCC Users.

What are DCC stock level charges?

The DCC levies a Communications Hub Stock Level Charge (SEC Section K 'Charging Methodology' 7.5(l)) to customers. This charge is based upon devices that have been delivered and accepted but have not been commissioned. This charge is calculated using the figures from the SMI concerning the quantity of affected devices to each individual DCC User for reference (as this was considered the most efficient practice to follow). Alongside modification, the DCC also wishes to develop a new practice of sourcing data to calculate these charges for devices that have been removed from the SMI.

What is the issue?

The current SEC requirements will result in thousands of Communications Hubs that would have been functional being removed from the SMI, and DCC Communications Hub Stock Level Charges being incurred by Parties who have these devices. This in turn may delay the rollout to an even greater extent as the devices unable to be installed will be rendered obsolete to DCC Users and will devalue devices that may have been previously fit for purpose. SECMP0060 was raised by DCC on 4 September 2018 to resolve this issue.

3. Solution

Proposed Solution

SECMP0060 proposes to amend the requirement in SEC Appendix AC Section 7.2, which obligates the DCC to remove devices from the SMI where the device status is 'Pending' and has remained in that state for 12 months. This change will increase the time period a device can remain in a 'Pending' state from 12 months to 36 months.

Efforts will be made to disincentivise a 'last-in-first-out' system to prevent older stock becoming increasingly outdated and not being utilised. The Proposer suggests introducing a new reporting process to the SEC Panel, whereby the Panel is notified of DCC Users installing devices that have been added more recently to the SMI rather than using the older existing stock.

The business requirements for this solution can be found in Annex A.

Legal text

The changes to the SEC required to deliver the proposed solution can be found in Annex B.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
✓	Large Suppliers	✓	Small Suppliers
	Electricity Network Operators		Gas Network Operators
	Other SEC Parties	✓	DCC

Supplier Parties in possession of devices listed as 'Pending' on the SMI after 12 months will benefit from this modification as they will be able to continue to install these devices.

The modification will also affect the method of retaining these 'Pending' devices in the SMI and applying the relevant Stock Level charges from DCC.

DCC System

The DCC Systems are affected by this modification. The DCC have stated in their Preliminary Assessment that their Data Management and DSP functionality will be affected in order to deliver the proposed solution.

The full impacts on the DCC Systems and the DCC's proposed testing approach can be found in the DCC Preliminary Assessment response in Annex C.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- SEC Appendix AC 'Inventory, Enrolment and Withdrawal Procedures', specifically Section 7.2.

Other industry Codes

No impacts on other industry codes are expected in this modification.

Greenhouse gas emissions

There are no Greenhouse Gas Emissions anticipated in this modification.

5. Costs

DCC costs

The estimated DCC implementation costs to implement this modification is £67,000 to £84,000. The breakdown of these costs are as follows:

Breakdown of DCC implementation costs	
Activity	Cost
Design	£67,000 – £84,000
Build	
Pre-Integration Testing (PIT)	
System Integration Testing (SIT), User Integration Testing (UIT) and implementation	Not specified

Please note that if SECMP0060 is included in the November 2019 SEC Release then the costs for SIT, UIT and implementation will be covered under the SMETS1 Enrolment and Adoption programme. These costs would therefore not be incurred as part of this modification in this situation.

More information can be found in the DCC Preliminary Assessment response in Annex C.

SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

No SEC Party costs are anticipated as part of this modification.

6. Implementation approach

Recommended implementation approach

The Working Group is recommending an implementation date of:

- **7 November 2019** (November 2019 SEC Release) if a decision to approve is received on or before 7 August 2019.

The Working Group members agreed that the implementation date for the modification should be as soon as possible to minimise the number of devices that are removed from the SMI.

As stated in the Preliminary Assessment response in Annex C, the DCC requires a three-month lead time between the modification being approved and implementing the proposed solution. The DCC has also noted that this modification could be considered for inclusion in the November 2019 SEC Release.

7. Discussions and development

Change to the originally proposed solution

After further consultation with BEIS, the Proposer suggested an amendment to the originally proposed solution. Instead of completely removing the clause in SEC Appendix AC Section 7.2, which would void the obligation that the DCC would remove devices from the SMI that were listed as 'Pending' for over 12 months, it would instead be amended to increase the time that a device can be listed as 'Pending' from 12 to 36 months. The rationale was so that an obligation for the DCC still existed to remove devices after a period of time, but that by visibly extending the time which devices can be listed as 'Pending' on the SMI, this would act as an incentive to increase production and innovation of devices for the SMETS 2 rollout. The Working Group acknowledged the Proposer's revised solution and based its assessment on this.

Are the existing Smart Meter Inventory requirements fit for purpose?

The modification is seeking to amend the requirements for the SMI. As part of the modification, the Working Group considered whether the current requirements and regulations around the handling of 'Pending' devices in the SMI are effective or if there should be amendments made, given the circumstances surrounding delays to the SMETS2 Rollout. The Working Group were asked to consider the impacts of this modification to the SMI requirements and what impacts would occur if the modification is rejected.

The Working Group discussed some of the current requirements of the SMI and agreed that the existing structure of the SMI is effective but required some amendments. The main amendment desired, due to the cause of the modification proposal being unforeseen delays to the SMETS2 rollout, was that the obligation to remove devices from the SMI should have been more flexible in the given circumstances. Another change that would have been desirable was to change the 'First In Last Out' approach that occurs where older models that are developed first and placed on the list at an earlier stage end up leaving the inventory last, as the newer device models are preferred by Supplier Parties. However, due to concerns that including this in the solution could potentially extend the modification's timeline to an even further degree than it would with just the inclusion of amending the cut-off date for removing devices from the SMI, it was recommended that this could be made in a future modification if necessary.

What security risks exist if Communication Hubs devices are left on the SMI for over 12 months?

The modification looks to address Communications Hub devices that will either have to be removed from the SMI and incur CH Stock Level charges, or, if they remain on the list, will have been on the list for longer than 12 months. Given that the process was originally designed so that the devices listed as 'Pending' would be removed after 12 months, it therefore raised the question as to what risks may exist if a device stays on the list past this specified time. An area of consideration would be firmware updates that may no longer be sufficient for older models of Communications Hub devices.

When consulted over the questions of potential security risks that would exist if devices were left on the SMI for over the original 12-month period, the Working Group was convinced that there would be no additional risk from making these changes. For instance, the Working Group saw no risk coming from firmware being insufficient for older device types due to the 'update' nature of firmware, so there

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was no concern that the number of months a device remaining on the SMI increasing would encounter issues relating to this. It was agreed that the modification be raised as part of the next Security Sub-Committee (SSC) meeting in parallel with this modification's consultation to note any issues that might have been overlooked as part of the first Working Group meeting.

Should other devices besides Communications Hubs be included in the solution?

The Panel had raised the question as to whether or not other devices that are on the SMI that have remained as 'Pending' on the list should be included in this modification's solution. The rationale for this was that there are other devices that may be removed from the list in the same way which will add an administrative burden to the DCC in order to re-notify these devices.

The Working Group unanimously agreed that the modification should be extended to all device types on the SMI, even though originally the modification was proposed to deal with Communication Hubs. This way, Smart Meters and other SMETS 2 devices will be given the same extension as to how long they can remain 'Pending' on the SMI before being removed. The Proposer supported this amendment.

Is there an alternative solution?

An alternative solution was questioned when the DCC noted an interim solution of manually resetting values was being used to correct devices until the proposed solution is accepted. A Working Group member asked if this solution that was already being carried out by the DCC could be implemented and used permanently.

The DCC stated that this wouldn't be viable. This was due to the manual resetting of values for thousands of devices, carrying the risk of making errors across such a large quantity of devices and that the effort and resources used to make the changes would be significantly lowered under the proposed solution.

The DCC also noted that SECMP0060 is seen as the first stage in a two-stage solution to this issue. The long-term solution it is considering is to exclude Communications Hubs from being deleted from the SMI. This is expected to be managed by way of an exclusion list, and new device types can be added to this exclusion list if needed in the future. This would be progressed via a separate modification, so as not to hold up implementation of this first stage.

8. Conclusions

Benefits and drawbacks

The Proposer and the Working Group have identified the following benefits and drawbacks in implementing this modification:

Benefits

- The main benefit this modification would bring is less administrative work on the part of the DCC and Suppliers who currently hold the affected devices on the SMI. If this modification were to pass, it would significantly reduce the number of 'Pending' devices that would require re-notification to the SMI. If these devices aren't re-notified, the devices will be unable to communicate through the DCC systems between System Users and the respective devices. By avoiding this process, it will be beneficial to both the DCC and the Parties who hold the 'Pending' devices.
- Another benefit which was observed by the Working Group was that if the proposed solution was adopted, the industry would likely be encouraged to increase production and innovation of devices for the SMETS2 rollout. The rationale for this was because if the amount of time a device can be listed as 'Pending' on the SMI is increased, there is less concern on the part of the Party holding the device about the issue of the device being removed from the SMI and being unable to communicate with the DCC systems.

Drawbacks

- The main drawback which was noted with extending the time is that it could result in an increase in unused device stock. With an increased time that devices could potentially be listed as 'Pending', this increases the chances that newer stock could be created during that time which would be more attractive for Supplier Parties to use rather than older stock, which would continue to be listed and unused.

Proposer's rationale against the General SEC Objectives

Objective (a)¹

The Proposer believes that SECMP0060 will better facilitate SEC Objective (a) due to allowing a faster and more effective provision of smart meters than at current.

¹ (a) Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain

Objective (b)²

The Proposer believes that SECMP0060 will better facilitate SEC Objective (b) through allowing the DCC to comply with its obligations with minimal devices being removed from the SMI with charges being incurred.

Objective (f)³

The Proposer believes that SECMP0060 will better facilitate SEC Objective (f) through the proposed changes to the SMI requirements as suggested by the DCC by creating a more accurate and effective way of retaining data in the SMI relating to Communications Hubs.

Working Group members' views

The Working Group unanimously agrees that general SEC Objectives (a) and (b) would be better facilitated if this modification would be implemented, for the same reasons given by the Proposer. A majority of members agreed with the Proposer's view that Objective (f) would also be better facilitated, while the remaining members believed there would be no impact on this objective.

² (b) Enable the DCC to comply at all times with the objectives of the DCC and to discharge the other obligations imposed upon it by the DCC License

³ (f) Ensure the protection of data and the security of data and systems in the operation of the SEC

Appendix 1: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
DCC	Data and Communications Company
IMR	Initial Modification Report
SEC	Smart Energy Code
SECAS	Smart Energy Code Administration and Secretariat
SMETS	Smart Metering Equipment Technical Specifications
SMI	Smart Metering Inventory



If you have any questions on this modification, please contact:

Harry Jones

020 7081 3345

sec.change@gemserv.com

Smart Energy Code Administrator and Secretariat (SECAS)

8 Fenchurch Place, London, EC3M 4AJ

020 7090 7755

sec.change@gemserv.com