Modification proposal:	**Smart Energy Code (SEC) Modification Proposal (MP) 0064 – Alt HAN Co Permission to Seek Access to Consumer Premises for Alt HAN Activities as a Representative of Energy Suppliers**		
Decision:	The Authority[1] determines that this modification[2] should be made[3]		
Target audience:	Data and Communications Company (DCC), SEC Panel, Parties to the SEC and other interested parties		
Date of publication:	25 January 2019	Implementation date:	28 February 2019

Background to the modification proposal

Principal obligations within Standard Condition 55.2 of the Electricity Supply Licence and Standard Condition 49.2 of the Gas Supply Licence require that all Relevant Supplier Parties, in conjunction with each other, must ensure that Alternative Home Area Network (Alt HAN) Activities are carried out. Alt HAN Activities as defined in Standard Licence Conditions (SLCs 55.6 and 49.6) include, but are not limited to, those activities that are designed to determine which premises may benefit from the installation of Alt HAN Equipment.

In order to do this Alt HAN Co's Operational Service Provider will need to undertake building surveys to enable assessment of suitability for different Alt HAN Solutions.

In order to access the buildings for the purposes of surveying, consent is required from the energy consumer or the relevant building manager/ landlord/ sponsor.

The Alt HAN Co is a vehicle set up under SEC Section Z[4] in order to deliver the Alt HAN Arrangements commercially. It is not expected that energy consumers will be familiar with the Alt HAN Co brand, and this may hinder Alt HAN Co's ability to deliver the required building surveys efficiently.

In order for Alt HAN Co (and its sub-contractors) to act as a representative of the energy suppliers, the relevant energy suppliers need to give the rights to Alt HAN Co to do this legally. It will then be implemented into the Alt HAN Co contracts with the Operational Service Provider.

Currently, there is no contractual arrangement in place between Alt HAN Co and energy suppliers to facilitate this arrangement other than the SEC.

The modification proposal

SECMP0064 was raised by EDF Energy on 4 October 2018. The Proposal sets out that in order to enact the Alt Han Forum's[5] decisions, and for Alt HAN Co to ensure efficient delivery of Alt HAN Activities, the SEC needs to be modified to specify that Alt HAN Co

[1] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.
[2] 'Change' and 'modification' are used interchangeably in this document.
[3] This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and by section 38A of the Gas Act 1986.
[4] https://smartenergycodecompany.co.uk/the-smart-energy-code-2/
[5] SEC Section Z – Z1.1 to Z1.6

can act as a representative of the energy suppliers when seeking permission from the consumer to access the premises.

SECMP0064 explains that such permission for the contractor(s) to access the premises is granted on a voluntary basis, and not based on the energy suppliers' statutory rights of access.

SEC Change Board[6] recommendation

At the SEC Change Board meeting on 19 December 2018, it was the unanimous view of the Change Board that the modification would better facilitate the eighth General SEC Objective (h) and the Change Board unanimously voted for its approval.

The eighth General SEC Objective - to facilitate the establishment and operation of the Alt HAN Arrangements.

The rationale provided by the Change Board was that the implementation of SECMP0064 would enable Alt HAN Co surveyors to begin undertaking surveying activity in a more efficient manner by enabling them to identify themselves as representatives of energy suppliers. The surveys will identify Alt HAN candidate premises that would potentially benefit from Alt HAN technology, fulfilling the obligations set out in SEC Section Z.

The Change Board believes that SECMP0064 is neutral against the other SEC Objectives.

Our decision

We have considered the issues raised by the proposal and the Final Modification Report dated 19 December 2018. We have considered and taken into account the votes of the SEC Change Board on the proposal which is attached to the Change Report. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the eighth General SEC objective;[7] and

- directing that the change is approved and is consistent with the Authority's principal objective and statutory duties.[8]

Reasons for our decision

We consider this modification proposal will better facilitate the eighth SEC objective and have a neutral impact on all the other objectives.

The eighth General SEC Objective is to facilitate the establishment and operation of the Alt HAN Arrangements.

The primary aim of the SECMP0064 is to enable a more efficient process for Alt Han Co surveyors identifying buildings which may benefit from Alt Han technology. The respondents consider that by allowing the surveyors to identify themselves as representatives of all energy suppliers, this will reduce the likelihood of being refused entry into a premise because of the energy consumer or the relevant building manager/

[6] The SEC Panel and Change Board are established and constituted pursuant to and in accordance with DCC Licence 22.25(a).
[7] The Objectives in accordance with DCC Licence 22.10-22.17
[8] The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 as amended and the Gas Act 1986 as amended.

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landlord/ sponsor not being aware of Alt Han Co, their responsibilities, or how this would relate to their specific premise(s). This should help to increase the efficiency of the overall process of the surveys being undertaken on behalf of Alt Han Co.

It is for these reasons that we believe SECMP0064 will better facilitate the eighth General SEC Objective.

Other issues

We would also like to note that SECMP0064 only enables the surveyors to identify themselves as representatives of the suppliers. Section Z of the SEC grants powers to the Alt Han Forum to consider, authorise and enter into contracts in order to fulfil the requirements of delivering Alt Han activities.[9] Suppliers are required to engage with and nominate a representative to the Alt Han Forum.[10]

It is through the Alt Han Forum where the presentation, discussion, and agreement of service providers will occur, and we encourage all suppliers to engage in this process. It will also be the Forum's responsibility to ensure that within the contractual relationship agreed, that all relevant Good Industry Practices, consumer protections, regulatory, performance and contractual controls are implemented within it. The appropriate checks should also be carried out during the contractual period to ensure that they are being adhered to in the expected way.

We also examined the costs associated with SECMP0064 as identified within the FMR. There are no direct costs that will arise from its implementation, apart from the administrative costs of publication of a new version of the SEC on the SEC Website and issuing this to SEC Parties and reviewing and updating any impacted SEC guidance materials, which are estimated £1,200. We therefore accept the Change Board's view that the benefits outweigh the costs for this modification.

Decision notice

In accordance with standard licence condition 23 of the Smart Meter Communication licence, the Authority hereby determines that modification proposal SECMP0064 'Alt HAN Co Permission to Seek Access to Consumer Premises for Alt HAN Activities as a Representative of Energy Suppliers' should be made.

Jacqui Russell
Head of Metering & Market Operations
Signed on behalf of the Authority and authorised for that purpose

[9] SEC Section Z 1.6
[10] SEC Section Z 1.7 – 1.9

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