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# **SECMP0060 ‘Amend Requirements to Remove ‘Pending’ Communications Hubs from the SMI’**

## **Working Group Consultation responses**

### **About this document**

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This document contains the full non-confidential collated responses received to the SECMP0060 Working Group Consultation.

## Question 1: Do you agree with the solution put forward?

Question 1			
Respondent	Category	Response	Rationale
Bryt Energy	Small Supplier	No	<p>At present there are several regulatory &amp; solution issues to be resolved in the management of CHUB in the SMI.</p> <p>Bryt Energy is unsure why SEC Users are being asked to fund a MOD where DCC is failing to underpin its obligations under SEC &amp; SEC Appendixes.</p> <p>There seems to be a misconception in the DCC solution to meet its obligations.</p> <p>Primarily the SEC AC “PENDING” 7.1 &amp; 7.2 requirement within SEC. This was to enable that if a CHUB or SMETS Device that had been Commissioned at a property, then subsequently decommissioned and physically removed from a property has a back stop to minimise data risks and security risks by removing it from the SMI after a period of time.</p> <p>SEC AC 7.1 requirement then ensured that the device was moved to “PENDING” to enable refurbishment and redeployment through the logistics chain.</p> <p>SEC AC 7.2 ensured that during the return through logistics process if the device became lost or scrapped, it would be removed from the SMI after 12 months to minimise data &amp; security risks of devices lost after removal as a back stop.</p> <p>SEC AC 7.2 was not intended to apply to CHUBS that are “PENDING” that have not left the secure warehouses where they were delivered by the CSP.</p> <p>SEC AC 7.2 is to only apply to device that have been at a commissioned as defined in SEC AC 7.1.</p> <p>DCC and DSP are incorrectly applying the SEC obligations through their current solution.</p>

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Question 1			
Respondent	Category	Response	Rationale
			<p>SEC H5.5 &amp; AC 2.2 clearly calls out DCC has an obligation to ensure the inventory is up to date and correct. This issue caused by DCC’s misinterpretations of SEC AC 7.2 which DCC has identified shows it is their role to ensure it is resolved, not through a costly MOD.</p> <p><b>SEC 6.3</b></p> <p><b>Smart Metering Inventory</b></p> <p>H5.5 The DCC shall establish and maintain the Smart Metering Inventory in accordance with the Inventory, Enrolment and Decommissioning Procedures.</p> <p>H5.6 Each User and the DCC shall each comply with the applicable obligations set out in the Inventory, Enrolment and Decommissioning Procedures, which must include obligations concerning: (a) the addition and removal of Devices to and from the Smart Metering Inventory; and (b) changes to the SMI Status of the Devices recorded on the Smart Metering Inventory from time to time.</p> <p><b>APPENDIX AC Inventory Enrolment and Withdrawal Procedures</b></p> <p><b>Smart Metering Inventory</b></p> <p>2.1 The DCC shall establish and maintain the Smart Metering Inventory.</p> <p>2.2 The DCC shall ensure that the Smart Metering Inventory reflects the most up-to-date information provided (or made available) to it from time to time in accordance with this Code (subject to Section F2.9 (Publication and Use by the DCC)).</p> <p>2.4 Prior to delivering a Communication Hub to a Party pursuant to the Communications Hub Service, the DCC shall add the Communications Hub Function and Gas Proxy Function that comprise that Communications Hub to the Smart Metering Inventory (to be identified with an SMI Status of 'pending'); provided that such Devices may only be added to the Smart Metering</p>

Question 1			
Respondent	Category	Response	Rationale
			<p>Inventory where the Communications Hub is of a Device Model identified in the Certified Products List.</p> <p><b>7 Reactivating Decommissioned, Withdrawn or Suspended Devices</b></p> <p>7.1 Where the Responsible Supplier wishes to change the SMI Status of any Device (other than a Type 2 Device) from 'decommissioned', 'whitelisted' or 'withdrawn' to 'pending', then the Responsible Supplier shall send the DCC a Service Request to that effect. Provided the Device in question is of a Device Model that is identified in the Certified Products List, the DCC shall change the SMI Status to 'pending'.</p> <p>7.2 Where the SMI Status of a Device has remained as 'pending' for 12 months, then the DCC shall remove the Device from the Smart Metering Inventory.</p> <p>We would propose a simple solution that the script that deletes devices &gt; 12 Months needs an additional “AND” statement where a device has had an inventory state other than “PENDING” to ensure DCC meets its SEC obligations and the SEC Intent.</p> <p>This simple change to the script would enable DCC to meet its SEC obligations and intent. As this is a misinterpretation and DCC solution gap, DCC should fund this change.</p> <p>In terms of the DCC Impact assessment appears to be poorly constructed on several levels. Firstly, the tactile solution to change to 36 months does not appear to show value for money or to be cost effective. Effectively as there is no technical detail, cost breakdown, FTE</p>

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			<p>resource, management and testing cost, we can only assume that the IA allows DSP to identify the script and change the “12” to “36”, some minimal PM cost, minimal testing cost and implementation cost.</p> <p>A range of £64k to £84k, which is caveated with as this is not a full IA: “As a result the final offer price may result in a variation outside of the indicative range.”</p> <p>clearly shows that this is not value for money for a simple change. At an average market cost for example a SQL Developer at £1500 per Day, this equates to 53 man days effort. If this IA estimated cost is reflected in the enduring solution, which is described as a more complex change one can only estimate to resolve this design issue being a total of above £250,000k mark.</p> <p>Thirdly as this MOD is not for inclusion until Nov 19 SEC, we are unsure how DCC will ensure devices that are in warehouses &gt;12 months will be able to be commissioned if they are deleting volumes and not maintaining the inventory correctly.</p>
EDF Energy	Large Supplier	No	<p>The reason for this response is that it is not actually clear what the solution that is being proposed actually is.</p> <p>The Modification Reports states that the only change required to the SEC is to amend the requirement in SEC Appendix AC Section 7.2 to increase the time period a device can remain in a ‘Pending’ state from 12 months to 36 months. This section of the legal text applies to all Devices and not just Comms Hubs.</p>

Question 1			
Respondent	Category	Response	Rationale
			<p>The SECAS Business Requirements document seems to be in line with this as the only business requirement is to extended the period after which Devices listed on the SMI as 'Pending' will be removed will be increased from 12 months to 36 months.</p> <p>The DCC's Preliminary Assessment, however, states that the business requirements are that:</p> <ul style="list-style-type: none"> <li>• The DCC Total System should be configurable to stop the removal of the Communications Hubs that have been in a Pending state in the SMI for 12 months or longer.</li> <li>• It must be possible to switch off housekeeping functionality for selected devices other than Comms Hubs by way of configuration. This is to cater to any future requirement to exclude other device types from housekeeping.</li> </ul> <p>These do not align with the SECAS business requirements noted above, which relate to all Devices and not just Comms Hubs. The Modification Report states that the change to enable this to be managed by way of an exclusion list, with new device types able to be added to this exclusion list if needed in the future, would be progressed via a separate Modification – however this requirement seems to be in the Preliminary Assessment for this Modification, and driving the quoted cost for this Modification as included in the Modification Report.</p> <p>We note that the Modification report states that 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. This requirements new reporting process is not referenced anywhere in the draft legal text, or in the DCC's Preliminary Assessment – it is not clear if this is proposed to be delivered as part of this solution or not, and if so what the costs of this report would be, and what the obligation on Parties disincentivise a 'last-in-first-out' system would be.</p>

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Question 1			
Respondent	Category	Response	Rationale
			While we support the content of this Modification we are not able to support the solution until we get clarity on exactly what is being proposed, and what the costs of that solution are.
<b>npower</b>	Large Supplier	Yes	We feel that by having the extended time period from 12 months to 36 months is a positive step forward. Appreciating the uncertainties involved with deployment, we would support efforts to remove barriers to installation activities. Any incentives where assets can be more effectively utilised is welcomed, this would increase the flexibility when the assets can be utilised whilst maintaining a backstop date and allows users greater flexibility for asset management on behalf of consumers, the customer journey and experience. We welcome a solution that will underpin the whole lifetime of the asset and not just the installation.
<b>SSE</b>	Large Supplier	Yes	This seems a sensible tactical proposal and means that our stock management process can be streamlined, and we can continue to install these older devices and therefore minimise those rendered obsolete where they can still be fit for purpose. It reduces the administrative burden for re-notification over shorter timescales. It minimises the potential impact for additional DCC Communications Hub Stock Level Charges being incurred where these devices are removed from the Smart Metering Inventory.
<b>E.ON</b>	Large Supplier	No	In addition to the points below we note that there has been no cost-benefit case provided for this Modification, without understanding that this Modification has a positive cost-benefit case we cannot support it.

## Question 2: Will there be any impact on your organisation to implement SECMP0060?

Question 2			
Respondent	Category	Response	Rationale
<b>Bryt Energy</b>	Small Supplier	Yes	There is increased security risk of devices that are de-commissioned and that travel back through logistics for refurbishment that data breaches could occur on these devices due to the move from 12 to 36 months.
<b>EDF Energy</b>	Large Supplier	Yes	We would need to make some minor process changes to reflect the revised period in which devices can be 'Pending'. If we are required to implement processes to avoid a 'last-in-first-out' approach to Comms Hubs this would have further process impacts, but as noted it is not clear that this is a requirement on SEC Parties.
<b>npower</b>	Large Supplier	Yes	The longer an asset remains in a pending status, the likelihood for a firmware update upon installation would increase, Users would need to manage this process to protect consumer experience of smart.
<b>SSE</b>	Large Supplier	No	Positive impact – we welcome this change.
<b>E.ON</b>	Large Supplier	Yes	We will fund our share of the implementation costs (full costs yet to be provided); We may have CHs that cannot be installed and commissioned in Production because the version of Firmware that they operate on cannot be upgraded over-the-air (OTA) to the current Production Firmware version, particularly in an 'N-1, N, N+1' world; Implementing changes to the DSP that overlap with the Enrolment and Adoption (E&A) migration and operation activities in 2019, may create unmanageable triage difficulties that negatively impact the E&A Programme. It is difficult to accurately assess this risk in the absence of any risk-profile that should be accommodated within the cost-benefit case of this Modification.



### Question 3: Will your organisation incur any costs in implementing SECMP0060?

Question 3			
Respondent	Category	Response	Rationale
<b>Bryt Energy</b>	Small Supplier	Yes	As described in question 1, on the proposed DCC flightpath DCC Users should expect costs of £250k to enable this change.
<b>EDF Energy</b>	Large Supplier	No	We do not believe that we would incur any material costs over and above our share of the DCC implementation costs.
<b>npower</b>	Large Supplier	Yes, but in a positive way	If this modification is implemented, the benefits would outweigh the costs involved
<b>SSE</b>	Large Supplier	No	Implementing this change will require an adjustment to our internal business processes and there are minimal costs associated to this.
<b>E.ON</b>	Large Supplier	Yes	As above  In addition we note that the Modification document alludes to the DCC utilising a source other than the Smart Metering Inventory (SMI) to undertake the Communications Hub (CH) Stock Level Charge. There are known issues affecting the accuracy and therefore viability of the data recorded within SMI so this is a welcomed proposal, however we note that this data quality shortfall is a defect and as such should not be subject to User charge-back. We would seek this opportunity to clarify with the DCC that no charges will be made to Users to acquire a valid data source for the CH Stock Level Charges, particularly not under the guise of this Modification.

## Question 4: Do you believe that SECMP0060 would better facilitate the General SEC Objectives?

Question 4			
Respondent	Category	Response	Rationale
<b>Bryt Energy</b>	Small Supplier	No	It misinterprets SEC and the SEC intent of the original requirements.
<b>EDF Energy</b>	Large Supplier	Yes	This change would better facilitate SEC Objective (a) as it would make the provision of smart metering systems more efficient by allowing compliant devices to be installed even if they have been Pending on the SMI for some time.  This change would also better facilitate SEC Objective (b) as it would enable DCC to retain data relating to Comms Hubs and charge Parties more accurately.
<b>npower</b>	Large Supplier	Yes	Yes, we feel that the implementation of this modification would better facilitate objectives (a) and (b).
<b>SSE</b>	Large Supplier	Yes	We believe it will better facilitate General SEC Objectives (a) and (b) for the reasons set out in the Modification Report. We note the references to a longer-term solution and believe that this tactical solution would be neutral regarding General SEC Objective (f).
<b>E.ON</b>	Large Supplier	No	We are struggling to understand how any of the SEC Objectives are better facilitated by elongating the SMI removal requirement from 12 to 36 months.

## Question 5: Noting the costs and benefits of this modification, do you believe SECMP0060 should be approved?

Question 5			
Respondent	Category	Response	Rationale
Bryt Energy	Small Supplier	No	<p>As per Q1:</p> <ul style="list-style-type: none"> <li>DCC has misinterpreted the SEC requirements</li> <li>DCC interim or enduring solution does not “fix” the design gap</li> <li>DCC enduring solution is not required as there are clear SEC requirements to remove devices that meet the USE CASE for de-commissioned devices.</li> <li>DCC has not provided value for money for their proposed interim solution for a simple change</li> </ul>
EDF Energy	Large Supplier	No	While we support the intent of this Modification we need further clarity on the solution that is proposed and the cost of that before we are able to agree that it should be approved.
npower	Large Supplier	Yes	
SSE	Large Supplier	Yes	As per our response to Question 1.
E.ON	Large Supplier	No	<p>No cost-benefit case has been provided within this Modification; in addition we are unable to ascertain that the WG have assessed that the cost of implementing this Modification is off-set by any cost-savings to be acquired by avoiding the SMI re-notification process.</p> <p>With regard to the benefits of this Modification we would ask how the CH Stock Level Charges will accommodate changes within a Device’s 36-month ‘Pending’ status, that would see the CH unusable prior to the 36-month SMI-removal requirement? For example, if a CH cannot be OTA upgraded within this 36-month period owing to the ‘N-1, N, N+1’ Firmware version</p>

Question 5			
Respondent	Category	Response	Rationale
			aspiration, how would the DCC ensure that they are not continuing to charge Users the CH Stock Level Charge knowing that the CH would not work in the Production environment?

## Question 6: How long from the point of approval would your organisation need to implement SECMP0060?

Question 6			
Respondent	Category	Response	Rationale
<b>Bryt Energy</b>	Small Supplier	None	There are no implementation issues as this is purely DCC back system processes and implementation.
<b>EDF Energy</b>	Large Supplier	1 month	We would need this time to make changes to our systems and processes to reflect the revised timescales.
<b>npower</b>	Large Supplier	As soon as possible	The implementation date for the modification should be as soon as possible to minimise the number of devices that are removed from the SMI.
<b>SSE</b>	Large Supplier	As soon as possible	We do not require a lead time and could therefore support the proposed implementation approach set out in the Modification Report.
<b>E.ON</b>	Large Supplier		

## Question 7: Do you agree with the proposed implementation approach?

Question 7			
Respondent	Category	Response	Rationale
<b>Bryt Energy</b>	Small Supplier	No	As the MOD implies for inclusion in NOV 19 and that is an immediate issue with DCC solution and meeting SEC requirements, we do not agree that the implementation is sufficient.
<b>EDF Energy</b>	Large Supplier	Yes	We agree that this change should be made as soon as possible to minimise the number of Devices unnecessarily removed from the SMI.
<b>npower</b>	Large Supplier	Yes	
<b>SSE</b>	Large Supplier	Yes	As per our response to Question 6.
<b>E.ON</b>	Large Supplier	No	As given above, without understanding the risk profile of introducing change to the DCC's Systems whilst the E&A activities are being implemented/tested we are not supportive of this approach.

## Question 8: Do you agree that the legal text will deliver SECMP0060?

Question 8			
Respondent	Category	Response	Rationale
Bryt Energy	Small Supplier	No	It will water down the existing requirements and impacts the Use Case for de-commissioned and removed devices sent for refurbishment.
EDF Energy	Large Supplier	No	Again this is because the legal text and the requirements noted in the various documents do not seem to align.
npower	Large Supplier	Yes	
SSE	Large Supplier	Yes	It reflects the business requirement set out in Annex A to this consultation.
E.ON	Large Supplier	-	<p>The legal text provided affects the change to the removal requirement from 12 to 36 months, it does not however cover the new reporting that will be presented to Panel or any process that such reporting may inform.</p> <p>Where the intent of this Modification is to introduce reporting to Panel we do not believe that the legal text covers the necessary Terms of Reference changes. However, where the intent of the Modification is limited to the extension of the removal requirement we believe that the legal text provided with deliver the solution of SECMP0060.</p>

## Question 9: Please provide any further comments you may have.

Question 9		
Respondent	Category	Comments
Bryt Energy	Small Supplier	No further comments.
EDF Energy	Large Supplier	We have no further comments.
npower	Large Supplier	
SSE	Large Supplier	
E.ON	Large Supplier	<p>We have the following comments to make on the DCC's Preliminary Impact Assessment</p> <p>Document Purpose – we are not sure that the text under this heading is accurate: The CH-returns process is not a deliverable of this Mod</p> <p>Requirement 2 – this is not part of the intent or solution of SECMP0060. It is our view that this should have formed part of the alternative Modification to be raised for the 'long-term' solution and that costs incurred for this work within this Impact Assessment have therefore been unnecessarily duplicated / have introduced waste costs.</p> <p>2.6 – As above, the 'long-term' solution is not part of SECMP0060 and we do not therefore believe this Impact Assessment to be reflective of the solution to be implemented under SECMP0060 (in so far as it extends the solution, meaning a PIA would not likely have been necessary for the solution for SECMP0060). As a consequence, we believe that much of the work undertaken within the PIA have introduced costs that will be duplicated when the Modification relevant to the long-term solution undergoes an Impact Assessment, as such we believe this to be duplicate/waste costs.</p> <p>What is the relationship between CR1022 (given in the title to this PIA) and SCR137? - Can the costs associated with the activities to be provided by each CR be separated to ensure there is no duplication?</p>

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Question 9		
Respondent	Category	Comments
		<p>Data Management – How much does this cost? - Impact to cost-benefit case where the exclusion was not the intent of the Mod as per the Mod documents?</p> <p>DSP Functionality – Can the costs associated with this testing be separated by exclusion of housekeeping, and the amendment from 12 to 36 months for the housekeeping deletion functionality (cost-benefit case) such that the costs relevant to SECMP0060 can be identified?</p> <p>Contract Schedules – As above, how much does this cost? - Impact to cost-benefit case where the costs associated with the long-term (exclusion) solution are not included within SECMP0060?</p> <p>Contract Schedules – Can the DCC explain why amendments are required to payment milestones as a result of this Modification?</p> <p>Implementation Timescales – We believe this is extremely misleading: SEC Modifications are subject to the timelines of the relevant RID and where this is not being made explicitly clear, the text should avoid any certainty e.g. 'implementation will be' and perhaps indicate only that the DCC could implement the changes '3 months following'.</p> <p>Implementation Costs – Are Working Groups supposed to consider DCC Assessments that do not contain full costs anymore?? I thought Panel had insisted some months ago that these assessments include full costs going forward? - May be my misunderstanding with regard to the type of assessment though (e.g. preliminary vs full)!</p> <p>MP60-DR1 – Can the DCC quantify this risk? - If the status had been amended to something other than 'pending' Users would expect this information to be retained within the SMI without additional cost - the service provision for SMI is part of the LABP and should have therefore been forecast sufficiently for total volumes at Licence Award (e.g. no significant increase in meter points between Licence Award and today).</p> <p>MP60-DR2 – Can DCC quantify this need? - As above, accordance with the requirements of SEC is a condition of the Licence and thus no additional costs from those proffered at Licence Award would be expected by Users.</p>

Question 9		
Respondent	Category	Comments
		<p>MP60-DI1 – Have the WG or the DCC considered alternatives to the solution proposed within the Modification that could equally address this risk? e.g. the re-notification process?</p> <p>MP60-DI2 – As above, accordance with the requirements of SEC is a condition of the Licence and thus no additional costs from those proffered at Licence Award would be expected by Users.</p>