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DP071 ‘Second-Comer Charging’

Problem statement – version 0.2

About this document

This document provides a summary of this Draft Proposal, including the issue or problem identified, the impacts this is having, and the context of this issue within the Smart Energy Code (SEC).

Proposer

This Draft Proposal has been raised by Sasha Townsend from the Data Communications Company (DCC).

What is the issue or problem identified?

Second-Comer Contributions

The Explicit Charges Second-Comer Contributions requirement (SEC Section K7.8-K7.11) enables a cost allocation mechanism for shared costs with respect to four specific Explicit Charge metrics: 'Low Volume (LV) Gateway Connection'; 'High Volume (HV) Gateway Connection'; 'Elective Service Evaluation'; and 'Parse & Correlate (P&C) support'. The requirement is prescribed using cost and temporal thresholds, to determine the contribution due by a second (or more) DCC User to an earlier DCC User that was offered one of these services, to rebate an element of the shared cost.

The DCC is required to assess Second-Comer Contributions and the rebate of 'relevant costs' to an initial contributor, when a subsequent person uses the same services and is made an offer to recover shared costs. The quotes to the Users shall be both with the condition of all parties accepting a shared metric.

How does this issue relate to the SEC?

The DCC have stated that this part of the SEC (SEC Section K7.8-K7.11) was drafted before the process was put in place and the full logistics understood. In practice the practicalities of providing a HV or LV Gateway Connection are such that there are no common costs and therefore the requirement in the SEC for the DCC to provide quotes for 'Second-Comer Charging' are causing delays and inefficiencies in the DCC onboarding service.

What is the impact this is having?

Inefficiencies and delays in the onboarding process

The DCC believes this requirement is still relevant and feasible with respect to the Elective Service Evaluation and P&C support metrics; as there are certainly opportunities to align investigative work during an Elective Service Evaluation or have a shared classroom scenario for P&C support/consultancy. However, the nature of the solution for providing both a LV Gateway Connection or a HV Gateway Connection is such that there are no common costs and thus no scope for cost sharing. Thus, the current onboarding process for a DCC User has inefficient and unnecessary complexity associated with a check related to shared costs for either a LV Gateway Connection or a HV Gateway Connection.

The magnitude of this impact appears to be minimal as the DCC have not ever used this method of charging as the sharing of HV and LV Gateway Connections is unfeasible.

What are the views of the industry?

Views of the DCC

The DCC are keen to improve the efficiency of their processes and as the Proposer are in full support of finding a solution to the issue.

Views of SEC Parties

SEC Parties were generally in agreement with the issue and the need to resolve it.

Views of Panel Sub-Committees

The Sub-Committees were generally neutral to this proposal. The Technical Architecture and Business Architecture Sub-Committee (TABASC) raised the point that some companies offer a shared service for Gateway connection. However, on investigation it was determined that this service is managed by the company offering the service not the situation referred to in the Problem Statement where two separate Parties would be using the same connection without third party management.

Views of the Change Sub-Committee

There were a few questions from the Change Sub-Committee as part of their initial consideration at their meeting on 8 April 2019. They believed the benefits of making any changes needed to be clearer, as they were unsure how big an impact these inefficiencies were having. They also queried if there were further similar inefficiencies that could also be resolved under this Draft Proposal, to avoid making changes in a piecemeal fashion. The DCC said there were no other changes planned and they could not provide cost savings as they had not used this method of charging due to the practicalities.