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MP086 Modification Report Consultation

1. Purpose

This is the Modification Report Consultation for [MP086 'Alt HAN Roll-Out Financing'](#). We invite you to respond to this consultation in order to help inform the Change Board in its vote on this modification.

The Modification Report is included in this consultation pack, along with a response form containing the questions we seek your views on.

This consultation will close at **17:00 on Monday 9 December 2019**. The Change Board may not be able to consider late responses.

2. Summary of the proposal

What is the issue?

As preparations for, and as the Alternative Home Area Network (Alt HAN) Technology Solutions roll-out commences, high costs of technology solutions contracted via Alt HAN Co will be incurred over a short period. The pass-through of these costs in-year to Energy Suppliers will not be the most appropriate funding mechanism. This is because Suppliers will be burdened with high upfront costs for Alt HAN, which will not reflect the level of benefit that current and future Suppliers will receive from Alt HAN solutions as market share changes over time.

Currently the SEC does not facilitate the raising of long-term debt in the most economic and effective manner. As described in this Modification Report, two issues have been identified which prohibit and hinder Alt HAN Co's ability to secure financing for the Alt HAN roll-out.

What is the Proposed Solution?

The proposed solution is to amend the wording in SEC Section Z 'Alt HAN Arrangements' to allow Alt HAN Co to facilitate financing of the roll-out in a more economic and efficient manner.

Will I be impacted?

MP086 is expected to impact the following SEC Parties:

- All Supplier Parties

Full details of how this modification may impact you can be found in the Modification Report.

3. Contact

If you have any questions on this modification, please contact **Harry Jones** on 020 7081 3345 or email sec.change@gemserv.com.