

This document is classified as **White** in accordance with the Panel Information Policy. Information can be shared with the public, and any members may publish the information, subject to copyright.

SECMP0066 ‘Advanced Shipment Notifications (ASN) for Consignment of Communications Hubs’ Refinement Consultation responses

About this document

This document contains the full non-confidential collated responses received to the SECMP0066 Refinement Consultation.

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

Question 1			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	Yes	While we can see that it might be useful for the notice period to be extended we have not experienced any issues with the current notice period set out in the SEC. We wouldn't have an issue with the notice period being extended, at the same time we don't have a problem with the current obligations set out in the SEC.
Centrica (British Gas)	Large Supplier	No	<p>The issues identified by the Proposer appear to be specific to their arrangements with 3rd parties rather than an issue being experienced by most Users. We therefore do not believe the solution is fit for purpose as it will un-necessarily impact on all suppliers).</p> <p>The solution would lead to longer lead times for Communication Hubs and this would have a detrimental impact on our smart metering rollout. As an industry we should be looking to make processes more efficient where possible, implementation of this proposal would do the very opposite.</p>
IMServ Europe	Other SEC Party	Yes	Introduces a more practical and achievable timescale.
Npower Ltd	Large Supplier	Yes	We fully support the change, as more time to process the ASN files would be a welcome improvement and as stated it is understood that this should reduce the risk of delivery refusals.
Scottish Power	Large Supplier	Yes	This extension will afford Parties a more manageable timeframe in which to process the ASN and, where necessary, forward the relevant information on to Third-Party Logistics Partners. This would result in fewer delivery refusals, aiding in the cost reduction of Smart Metering implementation.

Question 1			
Respondent	Category	Response	Rationale
E.ON	Large Supplier	No	<p>Building a completely new warehouse, that will not be complete until 2023, is the wrong solution to support capacity requirements. The capacity currently will be greater than that in 2023, therefore investing in a warehouse that could be obsolete by the time it is constructed is not something E.ON would support.</p> <p>Do SEC parties gain a shared ownership of this £1.75m warehouse once it is no longer required?</p>

Question 2: Will there be any impact on your organisation to implement SECMP0066?

Question 2			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	No	The current obligation is to provide notice 'At least 2 Working Days prior to the Delivery Date' – our internal processes are already designed to account for a period longer than 2 days, however they are also designed to cope with a 2 day notice period.
Centrica (British Gas)	Large Supplier	Yes	We would have to account for the change in timescales within our logistics function and within the ordering and stock management processes.
IMServ Europe	Other SEC Party	No	No comment.
Npower Ltd	Large Supplier	Yes	With a proposed implementation date in 2023, we cannot confirm the impact to our organisation at this time.
Scottish Power	Large Supplier	Yes	This should impact positively on our processes by allowing us longer to process the ASNs before forwarding the relevant information to our Third-Party Logistics Partners; resulting in fewer delivery refusals and, therefore, reduced costs.
E.ON	Large Supplier	No	ASN processing is automatic therefore no changes to be made.

Question 3: Will your organisation incur any costs in implementing SECMP0066?

Question 3			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	No	We would not expect to incur any direct costs as a result of implementing SECMP0066. However, we would expect that we would pick up a share of the DCC's costs for implementing this change, which are significant.
Centrica (British Gas)	Large Supplier	Yes	There would be costs incurred with amending our logistic / stock processes (albeit categorised as 'low'). Adding inefficiencies into the supply chain would undoubtedly create additional on-going costs (we have not attempted to quantify at this stage). We have not identified any cost savings from this modification proposal.
IMServ Europe	Other SEC Party	No	No comment.
Npower Ltd	Large Supplier	N/A	With a proposed implementation date in 2023, we cannot confirm the impact to our organisation at this time.
Scottish Power	Large Supplier	No	Implementing SECMP0066 should reduce our direct costs; however, we recognise that such savings will be contingent on the extent of any increased CSP costs.
E.ON	Large Supplier	No	ASN processing is automatic therefore no changes to be made.

Question 4: Do you believe that SECMP0066 would better facilitate the General SEC Objectives?

Question 4			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	No	We do not believe that this change better facilitates any of the SEC objectives.
Centrica (British Gas)	Large Supplier	No	<p>Objective (a)1</p> <p>The Proposer believes that SECMP0066 will better facilitate SEC Objective (a) as minimising the risk of delivery refusals will improve the efficient provision and installation of smart metering systems. We disagree with this and believe that implementation would negatively impact on the facilitation of this objective as it will introduce inefficiencies for those Parties that are accommodating the existing arrangements.</p> <p>Objective (b)2</p> <p>The Proposer believes that SECMP0066 will better facilitate SEC Objective (b) as the modification will allow the DCC to comply at all times with the objectives of the DCC. We disagree with the Proposer as we do not believe that implementation of this proposal will make any difference to the DCC in terms of any compliance requirements.</p> <p>Objective (d)3</p> <p>The Proposer believes that SECMP0066 will better facilitate SEC Objective (d) as extending the 48-hour notice period will allow Scottish Power to effectively compete in commercial activities within the supply of energy. We disagree that implementation will better facilitate this objective as it will create additional costs into the end to end supply chain creating greater costs for those Parties that have implemented processes based on</p>

Managed by

Question 4			
Respondent	Category	Response	Rationale
			the existing timescales / arrangements. This would be a distortion of commercial activities and effective competition and thus it would negatively impact on this SEC objective.
IMServ Europe	Other SEC Party	No response	No comment.
Npower Ltd	Large Supplier	Yes	SECMP0066 will better facilitate SEC Objective (a) as minimising the risk of delivery refusals will improve the efficient provision and installation of smart metering systems.
Scottish Power	Large Supplier	Yes	<p>Objective (a) we believe that SECMP0066 will better facilitate SEC Objective (a) because it will reduce the risk of delivery refusals, so improving the efficiency of the provision and installation of smart metering systems.</p> <p>Objective (b) we believe that SECMP0066 will better facilitate SEC Objective (b) as the modification will allow the DCC to comply with its own objectives to carry on the Mandatory Business in the manner that is most likely to ensure the development, operation, and maintenance of an efficient, economical, co-ordinated, and secure system for the provision of Mandatory Business Services under the Smart Energy Code. In our view, as the DCC 'system' extends to the CH, the development of this system includes their economically efficient distribution.</p> <p>Objective (d) we believe that SECMP0066 will better facilitate SEC Objective (d) as extending the 48-hour notice period will better allow Parties to compete in commercial activities within the supply of energy. As the smart meter implementation in GB was designed as a 'competitive' rollout, it is important that the SEC is sufficiently flexible to accommodate different commercial models.</p>
E.ON	Large Supplier	Yes	E.ON recognises the benefits to the SEC objectives as stated by the proposer in some circumstances.

Question 5: Noting the costs and benefits of this modification, do you believe SECMP0066 should be approved?

Question 5			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	No	Given the significant cost of this change and the fact that we do not experience any issues as a result of the current obligations in the SEC, we do not believe that SECMP0066 should be approved.
Centrica (British Gas)	Large Supplier	No	As above.
IMServ Europe	Other SEC Party	Yes	Increases the ability for parties to meet the requirements and to remain compliant.
Npower Ltd	Large Supplier	N/A	We believe that further work may be needed to understand the accuracy of the DCC costs and also what the benefits would look like based on varying implementation dates to understand if this change has a benefits case worth progressing.
Scottish Power	Large Supplier	Yes	We think SECMP0066 should be implemented because of the logistical efficiencies that will accrue. With regards to the costs, we are unclear as to how they are as high as the DCC indicates; however, we would like to see some transparent testing of the issues contributing to these costs.
E.ON	Large Supplier	No	E.ON doesn't currently experience issues with the 2 days' notice that is currently given by the DCC. While more notice is desirable in the event of a system processing error, the costs and proposed approach are not something E.ON would support.

Question 6: How long from the point of approval would your organisation need to implement SECMP0066?

Question 6			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	N/A	The current obligation is to provide notice 'At least 2 Working Days prior to the Delivery Date' – our internal processes are already designed to account for a period longer than 2 days so no changes would be required.
Centrica (British Gas)	Large Supplier	6 – 12 months	We would need to fully review the supply chain and logistic processes to ensure alignment with the change in timescales. This would involve numerous parties and processes.
IMServ Europe	Other SEC Party	None	No comment.
Npower Ltd	Large Supplier	N/A	Not able to confirm at this time but we are supportive of the current notice period being extended.
Scottish Power	Large Supplier	We could implement SECMP006 almost immediately.	No comment.
E.ON	Large Supplier	None	ASN processing is automatic therefore no changes to be made.

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

Question 7			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	No	By November 2023 the majority of Comms Hubs should have been installed, so the volumes being order should be lower at this point, meaning any benefits to be gained would be less at this point in time. This change would need to be made earlier to deliver any benefits – but as noted we do not believe that we would benefit from this change ourselves.
Centrica (British Gas)	Large Supplier	Yes	The implementation approach seems reasonable based on the assessment carried out by the DCC.
IMServ Europe	Other SEC Party	Yes	No comment.
Npower Ltd	Large Supplier	Yes	However, a delivery date of 2023 may be too far away for benefits to be realised.
Scottish Power	Large Supplier	Yes	No comment.
E.ON	Large Supplier	No	Constructing a warehouse to support a capacity that may not be there when completed is not in anyone's interest. A short term rental on a warehouse will produce the same result while reducing the cost and bring the implementation date much closer to the present. This also would allow flexibility as demand changes throughout the remainder of the rollout.

Question 8: Do you agree that the legal text will deliver SECMP0066?

Question 8			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	No	The revised notice period has not been specified so it is not clear what the legal text will actually look like.
Centrica (British Gas)	Large Supplier	Yes	The amended text accurately reflects the intent.
IMServ Europe	Other SEC Party	Yes	No comment.
Npower Ltd	Large Supplier	Yes	No comment.
Scottish Power	Large Supplier	Yes	No comment.
E.ON	Large Supplier	Yes	Once 'X' is determined.

Question 9: How many days do you feel are suitable to extend the current 48-hour notice period to?

Question 9			
Respondent	Category	Response	Rationale
EDF Energy	Large Supplier	N/A	We have not experienced any issues with the current notice period set out in the SEC. We wouldn't have an issue with the notice period being extended, at the same time we don't have a problem with the current obligations set out in the SEC. This really comes down to whether the DCC costs increase further the longer the notice period is – in which case it should be minimised as far as reasonably possible.
Centrica (British Gas)	Large Supplier	We could accept a short-extended period (depending on DCC impact) of up to 60 hours (i.e. +12 hours)	The ASN file is required at the point of the delivery, if this is 48-60 hours in advance then it is fine to ensure we have it ready for when a delivery arrives. Any longer than this would simply be introducing additional time into a process (e.g. our delivery having to be held in a DCC warehouse unnecessarily to allow the ASN notification period to elapse).
IMServ Europe	Other SEC Party	10 days	No comment.
Npower Ltd	Large Supplier	No response	It would be useful to see the costs and benefits against differing notice periods, to understand what would be the most beneficial/realistic notice period.
Scottish Power	Large Supplier	Minimum of 3	While we would prefer the longer timeframe of ten days, indicated when we raised this modification proposal, we also now recognise that this might give rise to additional costs. Of

Question 9			
Respondent	Category	Response	Rationale
			<p>course this was not our intention, but we are currently meeting additional costs as a result of the current ASN parameters.</p> <p>We would therefore suggest that a compromise be sought, and would hope that minimum requirements could be met at minimal cost.</p>
E.ON	Large Supplier	5 days	All of our asset suppliers provide the ASN with 5 days' notice.

Question 10: Please provide any further comments you may have

Question 10		
Respondent	Category	Comments
EDF Energy	Large Supplier	No comment.
Centrica (British Gas)	Large Supplier	We have no further comments.
IMServ Europe	Other SEC Party	No comment.
Npower Ltd	Large Supplier	No comment.
Scottish Power	Large Supplier	No comment.
E.ON	Large Supplier	None.