

Peter Davies, SEC Panel Chair
SECCo Ltd
8 Fenchurch Place
London, EC3M 4AJ

2 January 2020

Dear SEC Party,

Re: Consultation on Draft Budget 2020 - 2023

In January of each year the SEC Panel circulate a three-year Draft Budget to all SEC Parties for consultation. Over the last two months the Panel Finance and Contracts sub-group (PFCG), Independent Chairs and SECAS have worked with the Panel to prepare the attached Draft Budget; which was approved for consultation at the SEC Panel meeting on 13 December 2019.

Draft Budget Approach

The Panel continue to take its responsibility for setting the SEC budget very seriously. Mindful of the cost challenges faced by the industry, the Panel has sought to balance prudent provisions, quality of service and flexibility, with economic efficiency. The Panel have ensured only necessary provisions are in place, erring on the side of prudence where assumptions and activities are less stable.

The forthcoming year is expected to bring continued change in the Smart Metering market with the mass migration of meters to live operations, and migration of SMETS1 to SMETS2. As the roll out rate continues, operational issues are coming to the fore and this is expected to increase. We are already seeing several challenges arising in the areas of security and technical operations and do not expect this work to dissipate. Furthermore, in light of reducing regulatory resources at Energy Suppliers, we anticipate greater levels of support being required from SECAS moving forward.

Several projects have been identified to both respond to industry changes and ensure that operations are as effective as possible. As in previous years, the Panel have put in place a contingency provision, for use only if required.

Consultation Process

We invite SEC Parties to respond to the budget consultation by 5pm on Friday, 31 January 2020. Comments can be marked up directly onto the Draft Budget which has been uploaded to CodeWorks. If you do not already have access to CodeWorks, you can register [here](#).

The Panel will review any comments at its February 2020 meeting, and may amend the Draft Budget or agree to approve it in the current form. Responses to all comments will be provided. Once approved, the Approved Budget will be published on the SEC Website.

If you have any questions, please do not hesitate to contact the SECAS Helpdesk on 0207 090 7755.

Kind regards,



Peter Davies
SEC Panel Chair