

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.



DP130

‘CH order and delivery changes due to COVID-19’

Modification Report

Version 0.2



About this document

This document is a draft Modification Report. It currently sets out the background, issue, and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

Contents

1. Summary.....	3
2. Issue.....	4
Appendix 1: Progression timetable	4
Appendix 2: Glossary	6

Contact

If you have any questions on this modification, please contact:

Ali Beard

020 3970 1105

Alison.beard@gemserv.com

1. Summary

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

Suppliers are required by Smart Energy Code (SEC) Section F to forecast their Communications Hub orders 23 months in advance and confirm at the ten-month and seven-month mark. Current social distancing guidance means only essential Communications Hub installations are taking place. The manufacturers of Communications Hubs are not in the UK, are not subject the same social distancing restrictions and are therefore still producing Communications Hubs. The Communications Service Providers (CSPs) are obliged to take delivery of the Communications Hubs and deliver them to Suppliers. However, UK Suppliers cannot take delivery as their warehouses are closed.

2. Issue

What are the current arrangements?

How do Suppliers order Communications Hubs

SEC Section F5 and F6 specify the details of Communications Hub ordering and delivery. Suppliers are required to forecast their Communications Hub deliveries 23 months before the month of delivery, confirm with a 50% tolerance at the ten-month mark and confirm again with an 80% tolerance at the five-month mark. Suppliers can cancel their order, but this would incur financial penalties.

What is the issue?

The current UK Government social distancing guidance issued to help reduce the spread of the coronavirus (COVID-19) means only essential Communications Hub installations are taking place. There is currently no definitive end date to this guidance.

This has resulted in large numbers of Communications Hubs being held by Suppliers. Scheduled deliveries that the SEC requires continue as planned mean Suppliers now face the challenge of reduced warehouse capacity and the need to minimise the unnecessary movement of Communications Hub stock.

The provisions in the SEC are specific about how and when Communications Hub order volumes can be changed by Suppliers, but they do not allow for the sudden halt to installations that has occurred.

The manufacturers of Communications Hubs are not UK based and therefore are not subject to the same social distancing guidance. They are continuing to manufacture Communications Hubs and the Communications Service Providers are contractually obliged to receive them. Under the SEC the Suppliers are obliged to receive the deliveries they ordered.

What is the impact this is having?

Communications Hub deliveries for May 2020 are now due, and so an agreement to diverge from SEC processes and follow the proposed approach is required by then to prevent the CSPs being obliged to deliver Communications Hubs to warehouses that are already full and require staff to go into these sites to receive them unnecessarily.

Appendix 1: Progression timetable

The Proposer has requested this proposal be treated as an Urgent Proposal. This request will be presented to the Panel on 15 May 2020.

The Smart Energy Code Administrator and Secretariat (SECAS) is recommending the Panel writes to the Authority to request Urgent status. Under an Urgent timeline, SECAS proposes the modification undergoes a three Working Day Consultation and then Modification Report be considered at an ad-hoc Panel meeting on 22 May, with the Change Board vote then scheduled for an ad-hoc meeting on the same day. This timeline would be subject to Authority approval.

Timetable	
Event/Action	Date
Draft Proposal raised	14 May 2020
Panel requests Urgency	15 May 2020
Refinement Consultation	19 May – 21 May 2020
Modification Report presented to Panel	22 May 2020
Change Board vote	22 May 2020

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CSP	Communications Service Provider
DCC	Data Communications Company
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat