



Department for
Business, Energy
& Industrial Strategy

Department for Business, Energy &
Industrial Strategy

1 Victoria Street
London SW1H 0ET
www.gov.uk/beis

The Authority (Ofgem), the SEC Panel, SEC Parties and
other interested parties

15 October 2020

Dear Colleague,

**SMART METERING IMPLEMENTATION PROGRAMME: GOVERNMENT RESPONSE TO
CONSULTATION ON THE PROPOSED BASELINE MARGIN PROJECT PERFORMANCE
ADJUSTMENT SCHEME RELATING TO DELIVERY OF THE ENDURING CHANGE OF
SUPPLIER ARRANGEMENTS**

On 9 July 2020, a consultation¹ was issued seeking views on the proposal to introduce a Baseline Margin Project Performance Adjustment (BMPPA) Scheme for the delivery of the Enduring Change of Supplier (ECoS) Arrangements. The consultation included proposals on the legal drafting of the scheme.

We received eight responses to the consultation which closed on 14 August 2020. We have considered the stakeholder views and the document at Annex 1 constitutes government's response to the consultation.

Taking into account the responses we received to the consultation, a BMPPA Scheme for the ECoS Arrangements is being made today with a number of changes to the originally proposed scheme, as described in the Government Response.

The document at Annex 2 constitutes both (i) a direction given by the Secretary of State to the DCC identifying the Project associated with delivery of the ECoS Arrangements and (ii) a Baseline Margin Project Performance Adjustment Scheme made by the Secretary of State in relation to that Project. The direction is given, and the scheme made, on and with effect from the date of this letter.

¹ <https://smartenergycodecompany.co.uk/latest-news/beis-consultation-on-bmppa-scheme-for-ecos/>

Yours faithfully,

A handwritten signature in blue ink that reads "Duncan Stone". The signature is fluid and cursive, with the first name "Duncan" and the last name "Stone" clearly legible.

Duncan Stone

Deputy Director & Head of Delivery
Smart Metering Implementation Programme

Annex 1 Consultation Response

Annex 2 BMPPA Scheme for ECoS

Annex 1: Consultation Response

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2. General Information

Purpose

Following consideration of responses to the smart metering consultation of 9 July 2020 on the proposal to introduce a Baseline Margin Project Performance Adjustment (BMPPA) Scheme for the delivery of the Enduring Change of Supplier Arrangements by the DCC, this government response provides conclusions on the proposals put forward.

Issued

15 October 2020

Enquiries

Smartmetering@beis.gov.uk

Territorial extent

This government response applies to the gas and electricity markets in Great Britain.

3. Introduction

- 3.1. The 9 July 2020 consultation document¹ set out the background to the ECoS Arrangements and proposals for an associated BMPPA Scheme. For brevity, that background is not repeated in this document.
- 3.2. Under the proposed BMPPA Scheme, 30% of the Baseline Margin associated with the scheme would be placed at risk based on whether or not ECoS Go-Live took place on or before 30 June 2022. If the ECoS Go-Live date was delayed beyond that date, the margin would be lost based on a straight-line taper, such that if the DCC failed to reach ECoS Go-Live by 31 December 2022, it would retain none of the 30% margin.
- 3.3. The remaining 70% of the margin was proposed to be put at risk on whether or not the DCC avoided the need to rely on TCoS under the DSP contract after 31 October 2023.
- 3.4. It was also proposed that, depending upon Ofgem's work under the Operational Performance Regime (OPR) and the progression of SEC Modification Proposal MP122, BEIS would consider further modifying the BMPPA scheme to additionally include a performance factor that modified the amount of margin retained against this second milestone based on the quality of its processing of CoS events in the transitional period.

4. Consultation Responses

- 4.1. We received eight responses to the consultation including six from energy suppliers, one from the DCC and one from the SEC Panel.
- 4.2. Five respondents agreed with the proposed scheme. One highlighting that it was important that there was adequate testing, and noting that BEIS had proposed to introduce further incentives relating to processing of CoS events in the transitional migration period and that this would be reviewed once Ofgem had published its updated proposals for the Operational Performance Regime.
- 4.3. The other three respondents agreed with the proposal to introduce a BMPPA Scheme for ECoS but raised further comments on the proposed scheme. The main themes were:
 - i. That it was important not just to incentivise DCC to deliver quickly but it was also important that the systems were stable and appropriately scaled and of appropriate quality.
 - ii. That the scheme should not incentivise DCC to switch off TCoS too early and potentially strand unmigrated assets.
 - iii. That in order to switch off TCoS, a Go/No-Go decision would be needed and that this would need to be taken in timescales suitably in advance of October 2023 to allow DCC to meet the second milestone.

- iv. That a new “Migration Complete” milestone should be considered that would help focus on how the decision to switch off TCoS would be made, given that it is possible that some devices might be difficult to migrate.
- v. That it should be made clear that DCC should not be penalised for things outside its control and that it should be made clear that the scheme would be reopened if delay occurred for reasons beyond its control.

5. Government Response

- 5.1. Following receipt of the consultation responses we engaged further with a number of respondents to discuss their comments further.
- 5.2. We agree that quality of delivery is important and that DCC should not be incentivised just to deliver quickly. We also agree that a formal decision will need to be made to switch off TCoS and that it will be necessary to develop a process for making this decision as part of the overall project and that industry views will need to feed into this decision-making process.
- 5.3. Our original thinking on quality was that firstly, a decision to allow “go-live” would need to be taken as part of the ECoS project and prior to making this decision, evidence of adequate testing would be needed and that this would be one control point for “quality”.
- 5.4. Secondly if, as a consequence of ECoS go-live, there was a degradation in general DCC system performance, our view was that this would be reflected in the revised OPR metrics and hence did not need to be explicitly part of the BMPPA Scheme for ECoS. We also believed that post migration, the ongoing stability of DCC Systems would again be incentivised through the OPR.
- 5.5. Related to this, we also noted that Ofgem had not proposed to include a CoS processing metric as part of the OPR. We explained that we would further modify the BMPPA Scheme to include a CoS processing metric if, once Ofgem concluded on the OPR, the CoS metric remained excluded (or not included to any material extent). In practice we understand that the CoS metric may be included within the OPR but that it may initially be given a “zero” weighting. If this is what Ofgem concludes, then it would mean that whilst a CoS metric could readily be incorporated into the OPR (by changing its weighting to a non-zero number) the processing of CoS Service Requests but would not initially be incentivised under it. We understand that Ofgem is planning to conclude on the OPR to apply from April 2021 in the near future and we will keep this position under review. Our minded to position continues to be that if there is no material incentivisation of the processing of CoS events under the OPR, then the ECoS BMPPA scheme should be further modified to include such an incentive over the migration period. Furthermore, Ofgem may wish to consider whether to increase the weighting of the CoS metric under the OPR after this time².

² Whilst we acknowledge that the BMPPA Schemes and the OPR should be “joined up”, if we do include a CoS processing incentive over the migration period in the BMPPA, we do not think that this would mean that it would necessarily be inappropriate for Ofgem to also use the OPR to incentivise CoS processing over the same period.

- 5.6. We will continue to keep this under review and will bring forward further changes to this BMPPA Scheme in due course depending on Ofgem's conclusions on the OPR. We envisage that any CoS processing incentive would focus on the DCC's processing of CoS Update Security Credentials Service Requests. For these purposes we are expecting that information used to report against the Change of Supplier metric being progressed as part of SEC Modification MP122A, if approved, would be used to input into the measurement of DCC's performance.
- 5.7. Whilst we expect DCC to generally keep its customers apprised of progress on the ECoS project and that there will be particular decision points at which industry input will be important, in general we think that the process of migrating TCoS to ECoS Certificates should be something that DCC can largely carry out without substantial interaction with energy suppliers and other SEC Parties. The two exceptions to this that we foresee at this time are:
- (i) Identifying at an early stage if there are any devices or device types/models that are "difficult to migrate", for example if for some reason a particular device model cannot process the command to swap the CoS security credentials, communicating this to energy suppliers and where and to the extent appropriate (given DCC's role) providing support in resolving these matters; and
 - (ii) Working with energy suppliers to manage the "supply chain" of devices so that there are very few or no devices remaining in the supply chain that cannot be commissioned because they still hold TCoS credentials after the TCoS functionality has been switched off.
- 5.8. As part of the legal changes that will accompany the delivery of ECoS, we plan that in the transition period (i.e. the period in which Device Security Credentials are being swapped from TCoS to ECoS), the DCC will have obligations to use both the TCoS and ECoS systems in order to process CoS events differently depending upon whether devices in a premises that is subject to a change-of-supplier event hold TCoS or ECoS credentials. Legally, we think the decision to switch off TCoS will result in the DCC no longer having obligations to process CoS events using TCoS and that this decision will ultimately be one made by the Secretary of State (with industry input). At this stage, we do not know all of the factors that will be taken into account in making this decision, but if the decision results in the need to replace devices that have not been migrated, then the extent, cost and impact of such stranding will certainly be one of the factors.
- 5.9. We also acknowledge that we initially proposed putting 70% of the margin at risk based on whether the DCC needed to contractually rely on TCoS past 31 October 2023, and that this was a somewhat binary milestone in that DCC would retain all of the margin if it was met, but none if it was not. We accept that from the DCC's perspective this proposal would mean that the timing and process for making the decision to switch off TCoS would be very important, as would be the commitments given to reopening the scheme in the event that any delay was caused by events outside the DCC's control.

- 5.10. In light of the above, we have decided to make a number of changes to the BMPPA Scheme that we originally proposed. The revised scheme has the following features:
- i. The initial milestone relating to ECoS Go-Live remains as originally proposed – with the same tapering and 30% of the margin at risk against it.
 - ii. The Completion of Migration milestone has been modified so that the proportion of the 70% of margin against it that DCC is permitted to retain is determined based on a factor determined by the Secretary of State following a process of assessment of the DCC's performance in successfully completing a number of 'Specified Steps' (described below).
 - iii. BEIS is intending that the assessment process leading up to this determination by the Secretary of State would be materially the same as that which Ofgem is proposing for determining the outcome of the "VMM1 – Customer Engagement Incentive" under the proposed revisions to the OPR³, although BEIS would instead fulfil the role carried out by Ofgem in the OPR assessment.
 - iv. This means that in essence, we envisage that the assessment process would be one under which:
 - the SEC Panel (after engaging with SEC Parties) and the DCC would each be asked to score DCC's performance in successfully completing each of the Specified Steps and to provide a report explaining their scoring and supporting evidence;
 - BEIS would then make an initial assessment and form a minded-to view of what the actual score should be. We would consult on this initial assessment and minded-to position;
 - The two submissions from the SEC Panel and DCC would also be published in tandem with the consultation in order to help inform responses (subject to the extent that there are any confidential elements);
 - BEIS would then make a final decision taking into account the consultation responses and any additional evidence.
 - v. The exact process might differ slightly from the Ofgem process under the OPR, since it may need to be tailored slightly to fit the BMPPA Scheme, but we do not envisage that it will differ materially.
 - vi. The process will ultimately be set out in a notice issued by the Secretary of State, following consultation, and which will detail the criteria to be applied in making the assessment and, if necessary, any principles of interpretation. We note that Ofgem is proposing to additionally publish OPR Guidance and again, we expect that we would adopt this guidance for the BMPPA assessment, again subject to any adjustments that are appropriate for their use for such purposes.

³ <https://www.ofgem.gov.uk/publications-and-updates/dcc-operational-performance-regime-review-may-2020-consultation>

- vii. The Specified Steps and weightings that would be used for the purposes of the Completion of Migration milestone would be:
- **Specified Step A** (weighting 0.4): The DCC has taken all reasonable steps to avoid the need, following 31 October 2023, to continue to have in place contractual arrangements with an External Service Provider that provide for the use of (or for an option to use) a TCoS Private Key when processing communications to modify Device Security Credentials held on Devices.
 - **Specified Step B** (weighting 0.2): The DCC has taken all reasonable steps to:
 - (i) proactively identify, at an early stage of the implementation of the Enduring Change of Supplier Arrangements, any difficult-to-migrate Devices; and
 - (ii) (where appropriate) provide support and assistance to Energy Suppliers in addressing the difficulties related to the migration of those Devices.
 - **Specified Step C** (weighting 0.2): The DCC has taken all reasonable steps to effectively plan, manage and communicate arrangements so as to minimise as far as practicable the number of Devices that, on 31 October 2023, have been (or will be) manufactured and:
 - (i) have not been Commissioned; and
 - (ii) hold (or will hold) Device Security Credentials which pertain to a TCoS Certificate.
 - **Specified Step D** (weighting 0.2): (Excluding for these purposes its interactions with its customers in respect of Specified Steps B and C), the DCC has effectively informed its customers of any interactions that they will (or can be expected to) have in relation to the delivery of the Enduring Change of Supplier Arrangements, and has done so by means of taking all reasonable steps to engage effectively with those customers:
 - (i) within suitable timescales, with appropriate regularity, and by the provision to them of information that is of an appropriate quality;
 - (ii) (where appropriate) by having first consulted with them and taken fully into account their opinions on how those interactions should be managed.
- 5.11. In addition to focussing DCC's attention on ensuring that any difficult to migrate devices are identified at an early stage and minimising any unmigrated devices in the supply chain by 31 October 2023, the above changes mean that, for example, if there are delays in terminating the TCoS arrangements past 31 October 2023 which are caused by events outside DCC's control, then it would not be necessary to reopen the scheme to take this into account, since DCC could in such circumstances, still potentially achieve a high score against Specified Step A.
- 5.12. In relation to Specified Step D, we are seeking to incentivise DCC to provide the "right" level of customer engagement. This would include not over-engaging where it is not necessary to do so and ensuring that any

engagement is meaningful and supported by information of an appropriate quality.

- 5.13. Because of the way that Project Activity Milestone 2 is now assessed, we do not envisage having to re-open the scheme for this milestone if there are delays outside the DCC's control, since this would be taken into account in the assessment process.
- 5.14. More generally, however, we propose that the same general principles for reopening BMPPA schemes would apply if there are delays outside the DCC's control. In the context of this scheme, these are that:
- In the event of a *force majeure* (i.e. an Act of God) or incident outside of DCC's control that causes delays to delivery of milestones, we propose to allow the incentives to be reset (although only if necessary in the case of the BMPPA Scheme for ECoS, given the assessment process for Project Activity 2). Whilst recognising that a failure to achieve a Project Activity by the relevant due date could arise due to circumstances outside of the DCC's reasonable control, the Secretary of State expects the DCC to actively manage its dependencies and, where possible, mitigate these risks. The mechanism for dealing with such events would be for the Secretary of State to consult on a replacement project incentive scheme that adjusted for the incident accordingly.
 - In circumstances where the DCC envisages that the delivery of its milestones by the relevant due date will be, or has been, adversely impacted by circumstances outside the reasonable control of the DCC and its External Service Providers and where the DCC has taken steps to actively manage and mitigate the risk of such circumstances impacting on such delivery, then it will need to apply to the Secretary of State to request a modification of the due dates and/or criteria.
 - The Secretary of State will consider any such request and may (or may not) propose modifications to the dates and/or criteria as he considers appropriate in all of the circumstances of the case.

Annex 2: BMPPA Scheme for ECoS

BASELINE MARGIN PROJECT PERFORMANCE ADJUSTMENT SCHEME

ECoS Project

Introduction

This document is issued for the purposes of the smart meter communication licences granted under the Electricity Act 1989 and the Gas Act 1986 (together, the **DCC Licence**).

This document constitutes –

- (A) a direction issued by the Secretary of State under paragraph 35.5 of Condition 35 of the DCC Licence (The Chapter 9 Particular Definitions) identifying a 'Project' (the **Project**); and
- (B) the terms of a Baseline Margin Project Performance Adjustment Scheme (a **Scheme**) made by the Secretary of State in accordance with paragraph A2 of Appendix 1 to Condition 38 of the DCC Licence (Baseline Margin Project Performance Adjustment Scheme),

and has effect for the purposes of the Price Control Conditions of the DCC Licence, and in particular Part D of Condition 38 (Calculation of the value of the BMPPA term).

Contents

Section 1 identifies the Project to which the Scheme Relates.

In accordance with the provisions of paragraphs A4 and A8 of Appendix 1 to Condition 38 of the DCC Licence (Baseline Margin Project Performance Adjustment Scheme) –

- Section 2 describes a number of activities carried out by the DCC for the purposes of the Project (the **Project Activities**).
- Section 3 specifies the weighting factor in relation to the Project Activity (the **Project Activity Weighting Factor**).
- Section 4 describes the performance target in relation to the Project Activity (the **Project Activity Milestone**).
- Section 5 specifies the performance factor in relation to the Project Activity Milestone (the **Project Activity Performance Factor**).

- Section 6 sets out provisions for the purpose of interpreting and giving effect to the Scheme (the **Scheme Principles**).

Words and phrases used in Sections 1 to 6 shall be interpreted in accordance with, and have any meanings given to them in, Section 7.

1 The Project

1.1 The **Project** means the activities carried out (or to be carried out) by the DCC:

- (a) in accordance with the implementation plan (the **Plan**) produced by the DCC in compliance with a direction issued by the Secretary of State on 1 August 2019 under Condition 13A of the DCC Licence (Enduring Change of Supplier Arrangements);
- (b) during the period up to and including 31 October 2024; and
- (c) in order to support a change in the nature and scope of the Services by implementing and migrating to the Enduring Change of Supplier Arrangements.

2 The Project Activities

2.1 Each of the following activities being carried out by the DCC for the purposes of the Project shall be a Project Activity under the Scheme.

Project Activities

2.2 **Project Activity 1** constitutes the activity required to be completed by the DCC such that the event identified in the Plan as 'ECoS Go-Live' may take place. For these purposes **ECoS Go-Live** refers to the point in time from which the DCC is first permitted under the Smart Energy Code to replace Device Security Credentials that pertain to the CoS Party, and which are held on (or in relation to) Devices that are installed in consumer premises, with information from an ECoS Certificate.

2.3 **Project Activity 2** constitutes the activity required to be completed such that the event identified in the Plan as 'TCoS to ECoS Migration Complete' takes place. For these purposes, **TCoS to ECoS Migration Complete** refers to the point in time from which the DCC will no longer need to rely on the TCoS Private Key when providing Services under the Smart Energy Code.

3 The Project Activity Weighting Factors

3.1 The Project Activity Weighting Factor in respect of each of the Project Activities shall be that which is set out in the table immediately below.

<u>Project Activity</u>	<u>Project Activity Weighting Factor</u>
1	0.3
2	0.7

4 The Project Activity Milestones

4.1 Each of the following performance targets relating to the DCC's undertaking of a Project Activity shall be a Project Activity Milestone under the Scheme in respect of the specified Project Activity to which it relates.

Project Activity Milestone 1

4.2 The Project Activity Milestone which applies in relation to Project Activity 1 is that the date by which certain activities are treated as being completed by the DCC (the **Specified Date**) should be a date which falls on or before a target date (the **Milestone Date**).

4.3 The Specified Date in relation to Project Activity 1 is the date determined by the Secretary of State as being the date from which the DCC is first permitted under the Smart Energy Code to replace Device Security Credentials that pertain to the CoS Party, and which are held on (or in relation to) Devices that are installed in consumer premises, with information from an ECoS Certificate.

4.4 The Milestone Date in relation to Project Activity 1 is 30 June 2022.

Project Activity Milestone 2

4.5 The Project Activity Milestone which applies in relation to Project Activity 2 is that the DCC shall have successfully completed a number of steps in the period up to 1 November 2023 (the **Specified Steps**) for the purposes of ensuring Completion of Migration by that date.

4.6 The Specified Steps in relation to Project Activity 2 are as follows –

(a) **Specified Step A:** The DCC has taken all reasonable steps to avoid the need, following 31 October 2023, to continue to have in place contractual arrangements with an External Service Provider that provide for the use of (or for an option to use) a TCoS Private Key when processing communications to modify Device Security Credentials held on Devices.

(b) **Specified Step B:** The DCC has taken all reasonable steps to:

- (i) proactively identify, at an early stage of the implementation of the Enduring Change of Supplier Arrangements, any difficult-to-migrate Devices; and
 - (ii) (where appropriate) provide support and assistance to Energy Suppliers in addressing the difficulties related to the migration of those Devices.
- (c) **Specified Step C:** The DCC has taken all reasonable steps to effectively plan, manage and communicate arrangements so as to minimise as far as practicable the number of Devices that, on 31 October 2023, have been (or will be) manufactured and:
- (i) have not been Commissioned; and
 - (ii) hold (or will hold) Device Security Credentials which pertain to a TCoS Certificate.
- (d) **Specified Step D:** (Excluding for these purposes its interactions with its customers in respect of Specified Steps B and C), the DCC has effectively informed its customers of any interactions that they will (or can be expected to) have in relation to the delivery of the Enduring Change of Supplier Arrangements, and has done so by means of taking all reasonable steps to engage effectively with those customers:
- (i) within suitable timescales, with appropriate regularity, and by the provision to them of information that is of an appropriate quality;
 - (ii) (where appropriate) by having first consulted with them and taken fully into account their opinions on how those interactions should be managed.

4.7 For the purposes of the Specified Steps at paragraph 4.6, any reference to the DCC taking all reasonable steps should be interpreted in accordance with the steps that it would reasonably be expected to have taken in accordance with Good Industry Practice.

5 The Project Activity Performance Factors

5.1 Each of the numbers identified below in respect of a Project Activity shall be treated as the Project Activity Performance Factor (**PAPF**) in respect of that Project Activity for the purposes of this Scheme.

Project Activity Performance Factor for Project Activity 1

5.2 Where in relation to Project Activity 1:

- (a) the Specified Date is either on or before the Milestone Date, the PAPF in relation to that Project Activity shall be zero;

- (b) the Specified Date occurs later than the Milestone Date, the PAPF shall take the value, or be calculated in accordance with the methodology, specified in the row of the second column of the table immediately below that corresponds to the Specified Date.

Project Activity 1 Specified Date	Value of, or methodology for calculating PAPF
On or before 30/06/2022	0
Between 01/07/2022 and 31/12/2022 inclusive	$\frac{n}{185}$ Where n is the number of calendar days from 01/07/2022 up to and including the Specified Date for Project Activity 1.
After 31/12/2022	1

Project Activity Performance Factor for Project Activity 2

- 5.3 In relation to Project Activity 2, the PAPF shall be a number that is no less than zero and no greater than 1, and shall be calculated in accordance with the following formula:

$$\text{PAPF} = (0.4 \times \text{QF}_A) + (0.2 \times \text{QF}_B) + (0.2 \times \text{QF}_C) + (0.2 \times \text{QF}_D)$$

Where:

QF_A – QF_D means a percentage constituting the Quality Factor, which is determined by the Secretary of State in accordance with paragraph 6.2 in respect of each of Specified Steps A to D respectively, and which represents the extent to which each such Specified Step has in his assessment been successfully completed by the DCC by 1 November 2023.

6 BMPPA Scheme Principles

General Provisions

- 6.1 For the purposes of the Scheme, the DCC shall:

- (a) maintain accurate records, supported by documentary evidence, sufficient to establish the date upon which ECoS Go-Live was achieved and the date upon which TCoS to ECoS Migration Complete was achieved;
- (b) whenever requested by the Secretary of State or the Authority to do so, promptly provide a report to the Secretary of State, the Authority and the SEC Panel containing such up-to-date information and evidence relating to those records as has been requested.

Project Activity Performance Factor for Project Activity 2

6.2 For the purposes of the Project Activity Performance Factor in respect of Project Activity 2, the Secretary of State shall:

- (a) determine, in respect of each of the Specified Steps which together constitute Project Activity Milestone 2, a percentage (the **Quality Factor**) representing the extent to which in his assessment the DCC has successfully completed that Specified Step by 1 November 2023;
- (b) make that determination on a day of his designation after 1 November 2023; and
- (c) in respect of that determination, follow such process and apply such criteria as are set out in a notice issued under paragraph 6.3.

6.3 The Secretary of State shall, before making any determination of a Quality Factor in accordance with paragraph 6.2, set out in a notice issued to the DCC and the Panel:

- (a) the process to be followed prior to that determination; and
- (b) the criteria to be applied for the purposes of that determination.

6.4 A notice issued by the Secretary of State in accordance with paragraph 6.3 may set out such principles of interpretation as he considers appropriate in relation to any of the Specified Steps and/or the criteria to be applied in assessing the Quality Factor for any such Specified Step.

6.5 A notice issued by the Secretary of State in accordance with paragraph 6.3 shall be treated as an integral part of the Scheme Principles and shall have effect as such for the purposes of this Scheme.

7 Definitions and Interpretation

7.1 Except to the extent to which an alternative definition is set out in paragraph 7.3:

- (a) words and phrases defined in either the DCC Licence or in the Smart Energy Code shall have the same meaning in this document;

(b) if the same word or phrase is defined in both the DCC Licence and the Smart Energy Code and the definitions are not consistent, the definition in the Smart Energy Code shall take precedence for the purposes of this document.

7.2 The rules of interpretation set out at Condition 2 of the DCC Licence shall apply as if they formed part of this document.

7.3 For the purposes of this document, unless the context otherwise requires –

TCoS to ECoS Migration Complete has the meaning given to that expression in paragraph 2.3.

DCC Licence means the smart meter communication licences granted under the Electricity Act 1989 and the Gas Act 1986, taken together.

ECoS Certificate means an Organisation Certificate (or one of a number of Organisation Certificates) that contains a Public Key which has an associated Private Key that will, as part of managing change of supplier events and following the completion of the implementation of the Enduring Change of Supplier Arrangements, be used to Digitally Sign all Commands to replace Device Security Credentials that pertain to a Supplier Party on, or in relation to, Devices installed in consumer premises.

Enduring Change of Supplier Arrangements means the arrangements that are designed to ensure the occurrence of ECoS Go-Live and subsequent TCoS to ECoS Migration Complete.

ECoS Go-Live has the meaning given to that expression in paragraph 2.2.

Plan has the meaning given to that expression in paragraph 1.1.

Project Activity 1 has the meaning given to that expression in paragraph 2.2.

Project Activity 2 has the meaning given to that expression in paragraph 2.3.

Quality Factor	has the meaning given to that expression in paragraph 6.2.
Scheme	means this Baseline Margin Project Performance Adjustment Scheme.
Specified Step	has the meaning given to that expression in paragraph 4.5.
TCoS Certificate	means an Organisation Certificate (or one of a number of Organisation Certificates) that contains a Public Key which has an associated Private Key that, as part of managing change of supplier events, is used to Digitally Sign all Commands to replace Device Security Credentials that pertain to a Supplier Party on, or in relation to, Devices installed in consumer premises, other than where the Device Security Credentials held on such Devices have been modified to include information from the ECoS Certificate.
TCoS Private Key	means a Private Key associated with a Public Key that is contained within a TCoS Certificate.



Scheme made on 15 October 2020 on behalf of the Secretary of State by **DUNCAN STONE Deputy Director & Head of Delivery, Smart Metering Implementation Programme** (an official of the Department for Business, Energy & Industrial Strategy authorised to act on behalf of the Secretary of State).