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Transitional Governance Update

1. Purpose

The purpose of this paper is to inform the SEC Panel and SEC Parties of the activities occurring in the Smart Metering Implementation Programme (SMIP). The update covers a high-level overview of the following:

- **Transitional Work Groups** (Section 2) - updates will cover the meetings attended by the Smart Energy Code Administrator and Secretariat (SECAS) and the Panel Chair, in the last month.
- **Publications** (Section 3) - relevant publications, responses and consultations issued by the Department for Business, Energy and Industrial Strategy (BEIS), the Data Communications Company (DCC) and Ofgem (the Authority) in relation to Smart Metering, whilst highlighting areas that may be of interest to the SEC Panel and/or SEC Parties.

2. Transitional Work Group Updates

2.1 Smart Meter Delivery Group (SMDG)

The SMDG met on 10 October 2020 and discussed:

DCC dashboard update

- Over 5.3 million SMETS2 meters with over 1 million in the North region.
- There are over 200,000 SMETS2 meters operating in Prepayment mode.
- There have been 1.3 million SMETS1 migrations.
- Installs have continued to increase week on week, although the rate is now stabilising.

Improving Change of Supplier (CoS) performance:

- Three Suppliers are achieving the required target (to reduce the backlog of non-initiated CoS over 21 days, down into the mid to low hundreds), four Suppliers are making progress and three Suppliers are regressing.

- One of the causes preventing improvement in CoS gains is the misalignment of meter technical details and the DCC Service Flag (primarily gas). BEIS has discussed updating the DCC Service Flag with Xoserve. XoServe and the DCC are reviewing this.
- BEIS requests that Suppliers review the CoS gains spreadsheet (called COS001N) provided weekly, to identify non-initiated CoS gains. The target remains to process CoS gain via SR6.23 within 21 days of the Supply Start Date (SSD).
- Ofgem has advised that Suppliers should be improving with a very small volume of non-initiated CoS gains. Ofgem has expressed concern that the improvement is not being demonstrated and are beginning to review compliance options.

Regulation Workstream Group (RWG)

- RWG met and discussed the current general upward trajectory on installs, regardless of local lockdowns.
- Recent Smart Energy GB data however shows that, for the first time since late June 2020, the number of people without a Smart Meter are less willing to accept one.

2.2 Test Design and Execution Group (TDEG)

The TDEG met on 13 October and discussed:

- **November 2020 SEC Release** – Preparation is underway to open the November 20 SEC Release for User testing:
 - Amended versions of the Common Test Scenarios Document (CTSD), Enduring Test Approach Document (ETAD), and SEC Variation Test Approach Document were designated by BEIS on 7 October 2020.
 - Version D4-G4-1.1 of Parse and Correlate (P&C) has been made available to support the November 20 SEC Release.
 - User testing guides for User Entry Process Testing (UEPT) and Device and User System Testing (DUST) have been updated for the November 20 SEC Release and are available to Testing Participants in the 'information for SEC Parties' section of the DCC's SharePoint site.
- **SMETS1 FOC testing update** – The DCC provided an update on the progress of the SMETS1 Final Operating Capability (FOC) release:
 - Systems Integration Testing (SIT) is complete and has been agreed with the Testing Advisory Group for the SMETS1 FOC Primary release.
 - The implementation date for the FOC Primary release remains 13 December 2020.
 - The FOC secondary release will be split into two parts to allow early delivery of some pre-payment functionality, with implementation expected during May 2021.
- **SMETS1 Uplift 1.2 Update** – The DCC provided an update on the progress of the SMETS1 Uplift 1.2 release:
 - The SMETS1 Uplift 1.2 release was successfully implemented on 29 September 2020.

- A new version of the transition tool has been deployed. This will allow Pre-Payment Meter Interface Device (PPMID) IDs to be added to the Dual Control Organisation (DCO) and to the DCO Key packages for PPMIDs which have already been migrated.
- Planning is underway for Uplift 1.3, which is expected to be implemented during March 2021.

2.3 Technical Specification Issue Resolution Subgroup (TSIRS)

The TSIRS met on 15 October 2020 and discussed:

- **November 2020 Release** - BEIS has released draft versions of Great Britain Companion Specification (GBCS) and SMETS for the November 2020 release with designated changes. SECAS will apply additional changes from SEC modifications to these drafts, including changes from Issue Resolution Proposals (IRPs) that have been handed over to SECAS. All draft documents with tracked changes will be available via the 'Releases' section of the SECAS website.
- **Communications between Home Area Network (HAN) Devices** - BEIS provided an update about ongoing work to further define the Home Area Network (HAN) communication between HAN Devices and an Electricity Smart Metering Equipment (ESME) which has built in Auxiliary Proportional Controller (APC) or a Stand-alone Auxiliary Proportional Controller (SAPC). BEIS will share the Change Request Proposal (CRP) once the drafting has been completed.
- **Issue Resolution Proposals (IRP)** – The following IRP was discussed:

IRP No.	Title	Status
CRP620	Calorific value and conversion factor on installation v0_1	Open

- **Home Area Network (HAN) stability** – During the testing of the Communications Hub (CH) Release 2 firmware for the Central Service Provider (CSP) North it was observed that the CH did not create the Alert 8F84 'Failure to Deliver Remote Party Message to ESME'. This may mask HAN issues and the root cause is being investigated by the DCC working with the HAN Working Group.
- **Nuisance alerts** – The 8F0C Alert 'Clock not adjusted' has been identified as an issue by the DCC. This Alert is created by Devices in response to the GBCS Use Case CS02b 'Update Security Credentials' if the time on the Device is unreliable or invalid. The DCC is exploring, with Suppliers, whether a workaround can be implemented.
- **Consumer Access Device guidance document** – BEIS has circulated the Consumer Access Device (CAD) guidance document listing all relevant sections from the Technical Specifications which apply to CADs. This is an initiative to help CAD manufacturers navigate the technical specifications. Once finalised, the CAD guidance document will be published on the SECAS website.
- **Missing Firmware distribution Alert** – When a Device has successfully received a firmware update, it will generate a firmware distribution Alert (8F72). However, Users have reported that in many cases these Alerts are not received, meaning that Users do not know when to activate the new firmware. The DCC Business Process Scenarios were updated and now

advise Suppliers to read the event log from the Device and verify whether the alert 0x8F72 had been generated. This is important because if the Alert has been generated, the User can precede to activate the firmware.

2.4 Technical and Business Design Group (TBDG)

The TBDG met on 21 October 2020 and discussed:

- **SMETS1 progress update –**
 - Release 1.2 was implemented successfully on 29 September. This release includes support for PPMID firmware upgrades.
 - The DCC has moved its target for all dormant installations to be migrated into DCC Systems to the end of Q1 2021. This change is primarily due to delays following the industry objection to substantive equivalents proposals for Middle Operating Capability (MOC), along with some issues encountered by the SMETS1 FOC Primary release.
 - The DCC is working with a User that objected to the proposed approach to testing Device Model Combinations which are substantively equivalent to those used during Systems Integration Testing for the MOC Secure cohort. In the absence of further evidence, the DCC is expecting to initiate an appeal to the Secretary of State for final resolution.
 - Device Model Combinations (DMCs) falling under the Initial Operating Capability (IOC) and Morrison's Data Services (MDS) have been added to the Eligible Products Combination List (EPCL), with over 90% of the Initial Operating Capability estate available for migration.
 - The results of the BEIS consultation on Early Firmware for dormant installations were designated by BEIS on 18 September 2020. This will allow the DCC to initiate dormant migrations earlier than was previously possible.
 - Systems Integration Testing execution for the FOC Primary release is complete, however the number of outstanding Testing Issues is not yet within the tolerances agreed with the TAG for SIT completion. The DCC will work to resolve all Severity 2 Testing Issues and reduce the number of Severity 3 Defect issues to within tolerances before seeking a TAG decision on SIT completion.

National Audit Office (NAO) Interoperability review – BEIS presented an update on one of the recommendations for the DCC and the Smart Metering Device Assurance (SMDA) to plan the approach for introducing all CH Models test references into the SMDA scheme. BEIS presented the TBDG with two funding options:

1. The DCC pays for the additional testing required to ensure all CH Models are tested using the SMDA scheme.
2. The SMDA (and Device manufacturers) pay for the additional testing required to ensure all CH Models are tested using the SMDA scheme.

Under both options the three main CH manufacturers' Devices would be used during testing.

The TBDG unanimously supported option 1, which would see the DCC paying for the additional testing. A Modification Proposal may be raised to address the changes to the SEC, or BEIS may use its transitional powers to re-designate the SEC.

2.5 Implementation Managers Forum (IMF)

The IMF met on 29 October 2020 and discussed:

- **IMF Dashboard overview** – Approximately 5.6 million SMETS2 Meters have been installed, with just over a million of these being in the CSP North Region. Daily average installations have returned to volumes seen pre-COVID-19, with around 18,714 meters currently being installed per day. Although Suppliers raised concerns regarding Smart demand with local and national lockdowns and customers reluctance due to COVID-19.
- **Release 2.0 Single Band Communication Hubs (SBCHs)** – The DCC provided an update on SBCHs for the CSP North:
 - Mass Over the Air (OTA) firmware upgrades commenced as planned on 28 September 2020 and is expected to continue until the week commencing 6 November 2020. Over 500,000 CH have now been upgraded to v2.02.6 with just over 200,000 retries remaining.
 - The DCC presented a proposal to reflash Release 1 variant CH stock to Release 2.0 firmware allowing Suppliers to return older versions CHs in CSP North for upgrade. The impact assessment is due to complete by 2 November 2020 and the DCC will provide an updated process design to the Supply Chain Working Group following User feedback.
- **Release 2.0 Dual Band Communication Hub (DBCHs):**
 - All three manufacturers (WNC, Toshiba and EDMI) have Release 2.0 DBCHs on the Certified Products List (CPL).
 - 31 DBCHs, 21 in Central and South (C&S) Regions and 10 in North Region, have been installed in Production across five Users as of 21 October 2020.
 - DCC Operational Acceptance approval has been granted to mass manufacture all three CHs. The DCC is on track for mass supply by 26 November 2020 for CSP C&S and 16 November 2020 for CSP North.
- **SMETS1 update** – The DCC has a cumulative success rate of 95.3% for the 1,805,700 migrations of SMETS1 Devices attempted so far. Users are operating approximately 1,415,000 of these as Smart Meters:
 - Over 90% of the Initial Operating Capability (IOC) and Morrison's Data services (MDS) estate is now available for migration.
 - MOC Secure: The DCC had raised at the September IMF meeting that there was a significant risk for Secure Device Model Combination Testing (DMCT) due to the limited availability of Secure Devices. The Devices required for DMCT to release the remaining 80% of the estate are no longer available or being manufactured. The DCC had proposed adding these Devices to the Eligible Products Combination List (EPCL) on the success of DMCT on similar DMCs. The DCC is appealing to BEIS against the objection on the proposal to resolve this risk based on Substantive Equivalence.

- FOC: The DCC noted that they are on plan for Go Live on the 13 December 2020 but at risk. A secondary release (including support for Prepayment and PPMID/IHD Firmware downloads) is planned for 21 May 2021.

2.6 November 2020 Transitional Group meetings

Transitional Group	Meeting date
Test Design and Execution Group (TDEG)	10 November 2020
Smart Metering Delivery Group (SMDG)	12 November 2020
Technical Specification Issue Resolution Subgroup (TSIRS)	12 November 2020
Technical and Business Design Group (TBDG)	18 November 2020
Implementation Managers Forum (IMF)	26 November 2020

Table 2: Transitional Group meetings

3. Publications

3.1 DCC Publications

In October 2020, the DCC published the following consultations:

- [DCC response and further consultation on TMAD for FOC](#) – On 25 August 2020, the DCC issued a further consultation on a number of changes to the SMETS1 Transition and Migration Approach Document (TMAD) to support Final Operating Capability (FOC). DCC has concluded this consultation and is issuing an additional consultation on proposed changes to the TMAD to support FOC. This consultation closes on **6 November 2020**.
- [DCC Consultation on additions to the MEHRS for Final Operating Capability \(FOC\)](#) – In the context of SMETS1, the DCC is consulting on changes to the Migration Error Handling and Retry Strategy (MEHRS) to include support for FOC. This consultation closes on 25 November 2020.

3.2 BEIS Publications

In October 2020, BEIS published the following consultations and responses:

- [BEIS consultation on proposals for a Green Gas Levy](#) – As announced in the March 2020 Budget, BEIS has published a consultation on proposals for a Green Gas Levy. BEIS is seeking views on policy options for the Green Gas Levy, including design, budget, and administration. This consultation closed on **2 November 2020**.
- [BEIS consultation on the Warm Home Discount Scheme 2021 to 2022](#) – BEIS is proposing to extend the Warm Home Discount scheme from winter 2021 to 2022 in Great Britain. It also proposes minor changes to industry initiatives, small operational changes and some considerations around the future of the scheme beyond the one-year extension. This consultation closes on **11 November 2020**.

- [BEIS consultation on exemptions from the requirement for an electricity licence: call for evidence](#) – BEIS has issued a consultation to understand how the exemptions regime currently operates, and whether changes are needed to reflect government aims and objectives. This consultation closes on **1 March 2021**.

3.3 Ofgem Publications

In October 2020, Ofgem published the following consultations and responses:

- [RIIO-2 Informal re-opener application guidance consultation for Transmission, Gas Distribution and Electricity System Operator licences](#) – Ofgem has issued a consultation on proposed re-opener guidance and application requirements document that will assist network companies in completing RIIO-2 re-opener applications for submission to Ofgem. This consultation will close on **9 November 2020**.
- [Statutory consultation on proposed changes to the Special Conditions \(also known as the Charge Restriction Conditions 'CRC'\) of the electricity distribution licence](#) – Ofgem has issued a consultation on proposed changes to the Special Conditions (also known as the Charge Restriction Conditions 'CRC') of the electricity distribution licence. This statutory consultation follows on from the open letter dated August 2020. This consultation will close on **9 November 2020**.
- [The Retail Energy Code - proposals for version 1.1](#) – Ofgem has issued a consultation on proposed changes to the interim document, which would be given effect as a version 1.1 release, before the new governance arrangements come into effect in September 2021. This consultation will close on **16 November 2020**.
- [Consultation on increasing DCC's revenue at risk against the Operational Performance Regime](#) – In May 2020, Ofgem consulted on revising the Operational Performance Regime (OPR) to optimise the financial incentives placed on DCC to drive better performance. In response to the May 2020 consultation, stakeholders requested that Ofgem increases the incentive on the DCC to perform well against the OPR. Following these requests, Ofgem is proposing to increase the DCC's revenue at risk against the OPR, achieving the aim of a stronger incentive. This consultation will close on **27 November 2020**.
- [DCC Price control consultation: Regulatory Year 2019/20](#) – Ofgem is reviewing whether costs DCC reported for Regulatory Year 2019/20 are economic and efficient. This consultation will close on **23 December 2020**.

4. Recommendation

The Panel is requested to **NOTE** the contents of this paper.

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SECAS Team

6 November 2020