



Department for
Business, Energy
& Industrial Strategy

**Department for Business,
Energy & Industrial
Strategy**

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

28 September 2016

**DIRECTION REGARDING BRINGING FURTHER SEC OBLIGATIONS PERTAINING
TO REGISTRATION DATA INTO LEGAL EFFECT (“RDP LIVE”) AND AN
ASSOCIATED TRANSITIONAL VARIATION**

Dear Colleague,

Introduction

1. Our letter of 7 September 2016 sought views on removing a number of transitional variations on 21 September 2016 (or, if necessary, as soon as reasonably practicable within one month of that date) that have the effect, inter alia, of requiring Electricity Network Parties and Gas Network Parties to ensure that their RDPs submit full sets of Registration Data to the DCC on or before that date.
2. We also consulted on implementing a transitional variation which required Network Parties to continue to provide transitional Registration Data as originally required under Section X2.4 until 31 October 2016 at the latest (or such later date that may be specified by the Secretary of State), and permitted the DCC to use that transitional Registration Data for calculating charges for the period to which it relates (where it is reasonably necessary for the DCC to use that data). We explained that this would mitigate early risks associated with the DCC using the enduring registration data to calculate charges in the first month after it has started receiving that data.
3. We have set out below our response to the comments received to this consultation and the direction to bring the relevant provisions into legal effect on 29 September 2016.

Government response to consultation comments

I. Proposed date for RDP Live

4. Of the 9 responses received, 5 of the respondents agreed with our proposal to remove the relevant transitional variations on 21 September 2016.
5. Of those respondents who disagreed, all did so on the basis that the DCC had informed Xoserve (acting as Gas Registration Data Provider) that the Data Service Provider would require 40 hours to load the registration data being sent via the 'out of band' process, and that this would have put the 21 September 2016 date for RDP Live at risk. However, this DCC readiness issue has since been resolved given that full Registration Data has already been provided by all RDPs and parties now no longer need to use the 'out of band' process.
6. One respondent highlighted that, at the time of writing, Xoserve had not completed all System Integrations Tests. We can confirm that Xoserve completed the tests on 13 September 2016.
7. Subsequent to the consultation closing, on 16 September 2016 we held a teleconference with Network Parties and RDPs to assess their latest readiness against our previously published activation criteria (within our consultation letter of 15 June 2016). No significant new issues were raised regarding these parties' readiness and all remaining issues have now been resolved.
8. The DCC wrote to us on 19 September 2016, stating that it had not met the activation criteria because the independent auditor's reports for RDP SIT exit were not yet available, and that the DCC had not completed all initial loads of RDP data into its live system. The DCC further wrote to us on 27 September 2016 to confirm that these issues had been resolved and that it was now ready for RDP Live.

II. Transitional Variation

9. None of the respondents to the consultation disagreed with the introduction of the proposed transitional variation. Two respondents argued that it would be prudent to introduce a defined end-date into the legal text. We can confirm that an end date is already present in the legal text, defined as the earlier of either the date notified by the DCC to the Network Party, or 31 October 2016 (or such later date as the Secretary of State may specify).

III. Conclusion

10. Based on the responses to our consultation of 7 September 2016, and updates received since, we conclude that the activation criteria have now been met and that it is appropriate to designate 29 September 2016 as the date on which to cancel the Section X2.4(a), X2.4(b), X2.4(d) (in relation to Section E2.1 and E2.2), X2.4(e) and X2.5 transitional variations.

11. We also conclude that it is appropriate to introduce the proposed new transitional variation on this date. The legal direction that gives effect to these conclusions follows below.

Direction

This direction is made for the purposes of the smart meter communication licences granted under the Electricity Act 1989 and the Gas Act 1986 (such licences being the "**DCC Licence**") and the Smart Energy Code designated by the Secretary of State pursuant to the DCC Licence (such code being the "**SEC**").

Words and expressions used in this direction shall be interpreted in accordance with Section A of the SEC.

Pursuant to Section X2.7 of the SEC, the Secretary of State hereby designates 29 September 2016 as the date on which the variations to the SEC set out in the following Sections cease to apply (so that the relevant provisions of the SEC apply without variation after that date):

- (a) Section X2.4(a);
- (b) Section X2.4(b);
- (c) Section X2.4(d) in relation to Sections E2.1 and E2.2 (but not Section E2.3);
- (d) Section X2.4(e); and
- (e) Section X2.5.

Pursuant to Section X6 of the SEC, the Secretary of State hereby directs that Sections E1 and E2 shall be varied with effect from 29 September 2016 such that the following applies:

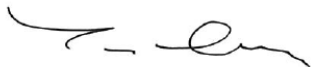
(a) each Network Party shall continue to comply with the arrangements for the provision of data with which it was previously obliged to comply under Section E2 as varied by Section X2.4 (prior to the variations to Section X2.4 being cancelled by this direction) until the earlier of: (i) the date notified to the Network Party by the DCC for such purpose; or (ii) 31 October 2016 or such later date as the Secretary of State may direct; and

(b) where reasonably necessary, the DCC may use the data provided under paragraph (a) above for the purposes of calculating the Charges payable by a Party in respect of the period to which such data relates (and, where the DCC does so, it may continue to calculate such Charges in the manner described in Section X2.5(a) and/or (b)).

The date from which such variations to Section E1 and E2 shall cease to apply is the date one month after the date applying under limb (ii) of paragraph (a) above.

This direction is also being notified to the SEC Administrator.

Yours faithfully



T J Guy
SMIP Delivery
Smart Metering Implementation Programme (SMIP)
(an official of the Department of Business, Energy & Industrial Strategy authorised to act on behalf of the Secretary of State)