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MP140 ‘CH Stock Transfer’ Refinement Consultation responses

About this document

This document contains the full non-confidential collated responses received to the MP140 Refinement Consultation.

Question 1: Do you agree with the solutions put forward?

Question 1				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Yes	The recent issues with comms hub productions demonstrate the requirements in having additional abilities to source comms hubs.	
EON	Large Supplier	No	<p>In principle, we agree with the proposed approach, but feel there is a little more clarity required around what options there are for ordering through an external SU. There should be the option to select manufacturer (although this may be difficult due to supplier set ups, but would still be useful) and, at a very minimum, the firmware. This may be overcome from point 2 in section 6.3.5 of the PIA, but without seeing that format we cannot assume it will be in there.</p> <p>Also, the flow chart on page 5 does not detail any ASN requirements, the gaining supplier will expect to have an ASN file BEFORE the arrival of CHs from SU (B), not on the delivery date or after, as this will create logistical problems at suppliers warehouses. This will need addressing.</p>	
Drax	Small Supplier	Yes	As a result of Covid-19, many Suppliers have installed far fewer Smart meters than forecast, resulting in excess Comms Hub (CH) stock levels. Conversely, other Suppliers are experiencing a shortage of CHs, due to global supply chain issues. The current option of returning CHs to the DCC leads to significant charges being levied against the Supplier. It also creates unnecessary costs,	

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Question 1				
Respondent	Category	Response	Rationale	SECAS Response
			time and effort for the DCC. MP140 offers a means of allowing SEC Parties to exchange CH units between themselves directly, which has the potential to introduce efficiencies and cost savings.	
OVO	Large Supplier	Yes	OVO supports the proposal as set out in the Mod Report in preference to the Alternative. This will allow us to manage the stocks of CH 's we have and makes complete sense to be able to move stock around.	
Western Power Distribution	Electricity Network Party	Yes	We agree that this modification addresses a valid issue that has been raised.	

Question 2: Will there be any impact on your organisation to implement MP140?

Question 2				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	No	No changes on our regular processes.	
EON	Large Supplier	Yes	Better flexibility and control of CH supply chain is a positive impact.	
Drax Group	Small Supplier	Yes	We would need to put in place internal processes to facilitate the transfer of CHs.	
OVO	Large Supplier	Yes	The impacts will be minimal and are far outweighed by the benefits this will provide.	
Western Power Distribution	Electricity Network Party	No		

Question 3: Will your organisation incur any costs in implementing MP140?

Question 3				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	No	Costs incurred in using the process will outweigh alternate solutions for sourcing comms hubs. We would not incur any costs unless we used the process.	
EON	Large Supplier	No	This consultation only focuses on the implementation costs and doesn't detail what additional costs may arise from this modification being passed through (such as logistical costs and who is liable for them). This answer may change based on the FIA.	
Drax Group	Small Supplier	Yes	We would incur costs associated with implementing a new internal process, which are difficult to quantify at this time. However, we expect these costs to be outweighed by the benefits of transferring CHs if MP140 can be implemented within a reasonable timeframe. If this modification is delayed, or not implemented, we will continue to incur costs associated with storing excess CHs or returning them to the DCC.	
OVO	Large Supplier	Yes	The costs are minimal and are mainly around not having to return CHs to the DCC and the challenges that brings.	
Western Power Distribution	Electricity Network Party	No	There will be no additional costs to us beyond the implementation costs.	

Question 4: Do you believe that MP140 would better facilitate the General SEC Objectives?

Question 4				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Yes	For smaller suppliers this will help reduce comms hub rental costs and will help keep programme costs lower. This helps maintain stock to ensure we do not stock out and can continue installing Smart Meters.	
EON	Large Supplier	Yes	We believe it supports objectives; A) This is a more efficient approach to ensuring there is the provision of assets to deliver Smart Metering Systems B) Supports the DCC to comply with its obligations.	
Drax Group	Small Supplier	Yes	We believe MP140 would better facilitate General SEC Objective A – <i>Facilitate the efficient provision, installation and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers’ premises within Great Britain</i> – as it has the potential to address issues with CH stock levels and to introduce efficiencies across SEC Parties .	
OVO	Large Supplier	Yes	As set out in the Mod Report.	
Western Power Distribution	Electricity Network Party	Yes	We believe that this modification better facilitates the General SEC Objective (a)	

Question 5: Noting the costs and benefits of this modification, do you believe MP140 should be approved?

Question 5				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Yes	<p>The total rental costs saved amongst the suppliers should eventually outweigh the cost of implementing.</p> <p>We do wonder why the solution is quite so expensive given that we have gone through a similar (albeit manual) process to achieve the same outcome recently.</p>	
EON	Large Supplier	No	<p>While we agree with the modification and it should ultimately be approved, there is more clarity required on what options are available to the 'gaining' supplier (selection of firmware etc.), and what the logistical process will be (requirement for ASNs and their SLA etc.). This may be overcome from point 2 in section 6.3.5 of the PIA, but without seeing that format we cannot assume it will be in there.</p> <p>Otherwise, it has the possibility of Suppliers purchasing assets that are no use to them.</p>	
Drax Group	Small Supplier	See below.	<p>If MP140 were to be implemented this year, we would expect the benefits to outweigh the costs. However, it's difficult to predict the extent of the issues around CH stock in 12 months' time. Greater benefits, and avoidance of costs, could be realised with an earlier implementation date. We urge SECAS and DCC to explore whether a shorter lead time can be achieved.</p>	

Question 5				
Respondent	Category	Response	Rationale	SECAS Response
OVO	Large Supplier	Yes	We support and would like to see the main proposal progressed.	
Western Power Distribution	Electricity Network Party	-	We agree that this modification addresses a valid issue that has been raised, the costs vary significantly between the two proposed solutions and we are unclear on the benefits case. We acknowledge that the DCC have implied that there is a significant volume of CH's that could undergo this process however there is no detail provided. There is also no information around the cost of shipping CH's to another party compared to the cost of returning to the DCC. We seek supplier party views to help form an opinion.	

Question 6: If MP140 is approved, which solution do you believe should be implemented?

Question 6				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Proposed Solution	No suitable alternate solutions are available at this time.	
EON	Large Supplier	Proposed solution with the points addressed from Questions 1 and 5.	The proposed solution is an adequate base for this, but we feel responses to Questions 1 and 5 need to be considered for this to work as efficiently as it is intended.	
Drax Group	Small Supplier	Proposed Solution	The alternative solution is considerably more costly to implement. We don't believe the benefits justify the additional cost. There is also a strong case for implementing this change as soon as possible and the alternative would take longer to implement.	
OVO	Large Supplier	Proposed Solution	It is unclear why the alternative solution is required and may meet requirements internal to the DCC as opposed to those faced by Users wanting to move CH's to where they are needed.	
Western Power Distribution	Electricity Network Party	-	We do not fully understand whether the CSP currently knows who owns the CH's and therefore how strong is the need for them to be advised of transfer and as per	

Question 6				
Respondent	Category	Response	Rationale	SECAS Response
			Question 5 we are unsure of the benefits. As a result we don't feel we can currently pick a solution.	

Question 7: How long from the point of approval would your organisation need to implement MP140?

Question 7				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Immediate	It's assumed that using this process would be instantaneous when available.	
EON	Large Supplier	Almost immediately	Depending on the format of how requests can be made, we expect there to be very little time from approval to implementation.	
Drax Group	Small Supplier	Approx. 3 months	As system changes are not required, we would expect 3 months to be sufficient.	
OVO	Large Supplier	As soon as possible.	The back up in being able to use stocks of CHs is current and the longer it takes to implement this will require us to use the current sub standard processes to manage them.	
Western Power Distribution	Electricity Network Party	N/A	We do not have any additional changes to make and therefore do not require any lead time.	

Question 8: Do you agree with the proposed implementation approach?

Question 8				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Yes	<p>Having piloted this process it seems like a very good alternate approach to sourcing comms hubs.</p> <p>While it potentially makes sense for this to have a robust/automated solution going forward it also sounds like it would be worth asking if this manual/interim solution can still be used between now and then – otherwise we are going to be in the position where people have (or have ordered) Comms Hubs they don't need and people that do need them can't get hold of them for more than a year.</p>	
EON	Large Supplier	No	<p>The Modification Report and the DCC PIA seems to have the implementation dates the wrong way round.</p> <p>The Mod report states the proposed solution will take 3-6 months for implementation, whereas the DCC PIA states 12 months. The Mod report also states for the alternative solutions, 12 months for implementation, whereas the DCC PIA states 3 – 6 months.</p> <p>This needs rectifying.</p>	
Drax Group	Small Supplier	No	<p>Some Suppliers are incurring significant costs storing excess CHs, while others are struggling to secure orders due to supply chain issues. This issue is one that needs addressing sooner rather than later, so it's frustrating that the lead time for the DCC Preliminary Assessment is so long. We would like to see an earlier implementation date so that Parties can benefit from this change sooner.</p>	

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Question 8				
Respondent	Category	Response	Rationale	SECAS Response
OVO	Large Supplier	Yes	We agree.	
Western Power Distribution	Electricity Network Party	Yes	We believe that this modification should be implemented as soon as possible.	

Question 9: Do you believe there will be any impacts on or benefits to consumers if MP140 is implemented?

Question 9				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Yes	Potential reduction to rental costs, benefit to stock holding and therefore reduced risk to cancelled appointments.	
EON	Large Supplier	Yes	While small, this implementation creates the possibility to have a steadier supply chain of Comms Hubs within the industry (sourced nationally as opposed to potential lead times) this will positively impact consumers as the smart roll out can continue. There is also less risk of stock obsolescence, meaning less risk of scrappage and the environmental benefits that are associated with that, and the direct links from Supplier to Supplier without having to be directed through the DCC.	
Drax Group	Small Supplier	Yes	As costs associated with storing excess CHs, cancelled orders, and returning excess stock to the DCC will ultimately be passed on to consumers, they should benefit from this change.	
OVO	Large Supplier	No	The benefits here are more about those to DCC Users and very little to do with the end consumer.	
Western Power Distribution	Electricity Network Party	No	We do not feel that there is any direct impact to the consumer.	

Question 10: Would you have used either solution If available between April 2020 and April 2021 if you had the option? If yes, how many CHs would you as a SEC party have been able to list for transfer, rather than return directly to the DCC?

Question 10				
Respondent	Category	Response	Rationale	SECAS Response
EDF	Large Supplier	Yes	Would have requested around 20K on 2 occasions, therefore requested 40K during that period.	
EON	Large Supplier	Yes	The full response can be found in the confidential version of this document.	
Drax Group	Small Supplier	Yes	The full response can be found in the confidential version of this document.	
OVO	Large Supplier	Yes	Yes we would.	
Western Power Distribution	Electricity Network Party	N/A	-	

Question 11: Please provide any further comments you may have.

Question 11			
Respondent	Category	Response and rationale	SECAS Response
EDF	Large Supplier	<p>We do wonder why the solution is quite so expensive given that we have gone through a similar (albeit manual) process to achieve the same outcome recently.</p> <p>While it potentially makes sense for this to have a robust/automated solution going forward it also sounds like it would be worth asking if this manual/interim solution can still be used between now and then – otherwise we are going to be in the position where people have (or have ordered) Comms Hubs they don't need and people that do need them can't get hold of them for more than a year.</p>	
EON	Large Supplier	None	
Drax Group	Small Supplier	No further comments.	
OVO	Large Supplier	None	
Western Power Distribution	Electricity Network Party	None	