



Making a positive difference
for energy consumers

David Kemp
Change Sub-Committee Chair
Smart Energy Code Administrator
and Secretariat
8 Fenchurch Place
London
EC3M 4AJ

Date: 18 October 2021

Dear David,

SECMP185 'Additional controls to support the SoLR process' Authority¹ decision on urgency

On 12 October 2021 SECMP185 was raised by ESG Global. We received a request from SECAS on the 15 October that SECMP185 be treated as urgent.

This letter confirms our decision that SECMP185 should be progressed on an urgent basis and sets out the timetable under which the modification will proceed.

Background

The Proposer has explained that MP134A 'Use of SMKI Certificates relating to a SoLR event'², was raised to provide protection for consumers when a Supplier of Last Resort (SoLR) event takes place. This was through providing the Smart Metering Key Infrastructure (SMKI) Policy Management Authority (PMA) the power to delay the revocation of Supplier Certificates. It would enable a Shared Resource Provider, on behalf of the failed Supplier, on instruction from the Authority, to put prepayment customers into a 'safe mode' where they would not lose supply if they ran out of credit. MP134A was approved by the Authority on 1 October 2021 and implemented on 4 October 2021.

Given recent market events, the Proposer considers that MP134A is unable to currently provide a full solution. This is because the Authority, at the time of revocation of the supply

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² [SECMP134A Authority Decision \(ofgem.gov.uk\)](#)

licence, when the SoLR is appointed, also directs the Data Communications Company (DCC) to transfer the MPIDs (Market Participant Identifiers) to the portfolio of the appointed SoLR.

This has the effect of the DCC User Interface Specification Service Requests being sent on behalf of the failed Supplier being rejected, and effectively removes control from SMKI PMA in relation to managing the Supplier Certificates. It could result in meters being unable to be put into a 'safe mode' and non-completion of emergency meter works by Meter Operators and Meter Asset Managers, and impact on heating systems controlled by enrolled Smart Metering Equipment Technical Specifications 1.

The Proposer believes this issue can be resolved by providing additional controls to the SMKI PMA. This would enable them to delay the timing of the transfer of the MPIDs of the exiting Supplier to the appointed SoLR. This would mean the SMKI PMA managing both the revocation of the Supplier Certificates and transfer of MPIDs in consultation with the appointed SoLR.

Change Sub-Committee (CSC) View

At the CSC meeting on 15 October 2021, under delegated authority from the Panel, the CSC agreed with the Proposer's rationale for why this modification should be progressed as an Urgent Proposal. The CSC decided to recommend to the Authority that SECMP185 should be progressed as an Urgent Modification Proposal.

Our decision

In reaching our decision on the urgency of the modification proposal we have considered the details within the proposal; the views of the CSC and we have also assessed the request against the urgency criteria set out in our published guidance.³

Our guidance sets out that an urgent modification should be linked to an imminent issue or a current issue that, if not urgently addressed, may cause:

- i. A significant commercial impact on parties, consumers, or other stakeholder(s); or
- ii. A significant impact on the safety and security of the electricity and/or gas systems, or;
- iii. A party to be in breach of any relevant legal requirements.

We agree with the Proposer's rationale that the nature of the identified issue and its potential impacts meets the urgency criteria as set out in the SEC and our published

³ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-guidance-code-modification-urgency-criteria-0>

guidance, in particular (i) and (ii) criteria, and warrants urgent consideration of the Proposal.

We have also considered this urgency request in the context of the current market conditions and the need to protect customers, particularly those who prepay and are often the most vulnerable, by ensuring they are both seamlessly transferred to a new supplier and remain on supply. In addition, we recognise the need for further mitigation of risks to customers during the SoLR process, as mentioned in our SECMP 134A decision, where we noted industry taking meaningful steps to identify and mitigate risks through the SEC modification process.

We are therefore satisfied for progression of this modification proposal and the need for an appropriate response to the current market conditions. We agree that the modification should follow the urgent timetable as set out below.

Activity	Date
Industry consultation on modification and draft legal text (three Working Days)	19 Oct – 21 Oct 2021
Updated draft Modification Report, legal text and consultation responses issued to CSC and Change Board	22 Oct 2021
CSC approves Modification Report and legal text	26 Oct 2021 (scheduled meeting)
Change Board vote	27 Oct 2021 (scheduled meeting)
Modification Report submitted for Authority determination	27 Oct 2021
Implementation	One Working Day following approval

In accordance with SEC Section D4.6⁴, we therefore direct the Panel to treat the Modification Proposal SECMP185 as an Urgent Proposal in line with respective SEC conditions and our published guidance. The proposal shall be progressed within the time plan set out in this decision.

For the avoidance of doubt, in directing that the request for urgency be granted, we have made no assessment of the merits of the Proposal, or the forthcoming solution, and nothing in this letter in any way fetters our discretion in respect of our decision on the Modification Proposal. If you have any comments or questions about this letter, please contact Raymond.Elliott@ofgem.gov.uk.

⁴ [Sec Section D](#)

Jacqui Russell

Head of Metering and Market Operations

Signed on behalf of the Authority and authorised for that purpose