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MP162 ‘SEC changes required to deliver MHHS’

December 2021 Working Group meeting summary

Friday 3 December 2021, 09:30-12:30

Attendees

Attendee	Organisation
Ali Beard	SECAS (Chair)
David Kemp	SECAS (Lead Analyst)
Robin Healey	SECAS
Anik Abdullah	SECAS
Rosie Knight	SECAS
Richard Vernon	DCC (Proposer)
Stuart Scott	DCC
David Walsh	DCC
Abhijit Pal	DCC
Charlotte Semp	DCC
Robbie McMillan	DCC
Danielle Walton	Ofgem
Ian Smith	MHHS Programme
Mark De Souza Wilson	Elexon
Emma Johnson	British Gas
Seth Chapman	Castillo
Alex Hurcombe	EDF Energy
Paul Saker	EDF Energy
Julie Geary	E.ON
Daniel Davies	ESG Global
Ralph Baxter	Octopus Energy
Emslie Law	OVO Energy
Mafs Rahman	Scottish Power
Elias Hanna	Smart ADSL
James Murphy	Stark
Nik Wills	Stark
George MacGregor	Utilita
Kelly Kinsman	WPD

Overview

The Smart Energy Code Administrator and Secretariat (SECAS) (DK) recapped the issue identified, the proposed solution and the outcomes of the Working Group sessions in October 2021.

Issue

As the smart metering rollout continues, there will be more and more premises with Electricity Smart Metering Equipment (ESME) installed capable of recording consumption in each half-hour period. Ofgem's [Electricity Settlement Reform Significant Code Review](#) (SCR) has concluded that settling all consumers on a half-hourly basis would bring net benefits of up to £4.5bn by 2045¹. It has therefore concluded that Suppliers should be mandated to settle their customers on a half-hourly basis.

Delivering the full solution for market-wide half-hourly settlement (MHHS) will require changes to the Smart Energy Code (SEC) and to the Data Communications Company (DCC) Systems. Ofgem has [requested the DCC raise this SEC modification](#) to progress and deliver these changes.

Solution

During the SCR, Ofgem has developed its target operating model (TOM) for how the full MHHS solution should be delivered. The SEC and the DCC Systems changes will need to deliver the requirements set out in the TOM.

This modification will cover all the SEC changes required to deliver the MHHS solution, which will include:

- The introduction of a new User Role for Parties carrying out the Meter Data Retrieval (MDR) service.
- Defining the relevant Service Requests the new User Role will have access to and the associated Target Response Times (TRTs) and testing scenarios.
- The associated security and data privacy arrangements that will apply to the new User Role.
- The User Entry Process requirements for the new User Role.

Refinement Consultation responses

SECAS (DK) summarised the responses received to the Refinement Consultation.

A Working Group member (RB) queried how the MHHS changes would fit with the Data Service Provider (DSP) re-procurement. The DCC (DW) confirmed any changes made to the current DSP for MP162 would be reflected in the requirements for the re-procured DSP, so Parties would not pay twice for the changes. The member was concerned the change freeze proposed shortly after the MP162 changes were proposed for implementation meant there wouldn't be time to resolve any issues. The DCC (CS) confirmed any change freeze would be related to introducing new functionality, rather than resolving issues.

The DCC (DW) noted it was removing the proposed 'MHHS flag' from the solution, as this would have required all Users to uplift to the relevant DCC User Interface Specification (DUIS) version to deliver.

¹ Please see Ofgem's [final business case and decision to implement market-wide half-hourly settlement](#) for more details.

The DCC would want reporting, but this change would make that difficult, as the DCC would not now know whether a Service Request was for MHHS or not.

Proposed alternative solutions for MDR User TRTs

A member (JM) noted the alternative options raised in one consultation response, and that independent agents preferred the first option, though would be open to discussions. These three options were:

- Option 1: consumption data can only be retrieved via the MDR User Role using the current TRTs
- Option 2: the current solution but with the MDR User Role having the same TRTs as the current User Roles
- Option 3: the current solution but with the MDR User Role having the shorter on-demand TRTs for Service Request Variant (SRV) 4.8.1 'Read Active Import Profile Data'

A member (PS) clarified the impacts and costs Suppliers would incur if required to uplift to a new DUIS version. Unlike adding in new data flows, where only the relevant part of the system needs updating, a DUIS uplift requires the Supplier to implement the full changes to the specifications, at high cost. They noted data for settlement is not time-critical compared to other use cases such as billing. Additionally, customers would not see issues with settlement whereas they would see issues with billing. Another member (EL) noted that Users have not yet been mandated to uplift to a higher DUIS version, and that it is up to Suppliers when they do so. As Suppliers can do everything needed to collect the data needed for MHHS on the current DUIS versions, they would not want to be mandated to uplift to a new version if there was no justification for this.

A member (RB) highlighted the issue was that the more the playing field is aligned, the more the cost goes up. It needs to be discussed and decided whether equal access for Suppliers and agents is a mandatory requirement regardless of the cost, or whether a cheaper solution should be taken forward that doesn't cover this requirement.

A member (JM) recognised the issue that there is no mechanism for the independent agents to pick up any of the costs for MP162 despite benefitting from the changes. They wondered if the charging methodology should be changed. Another member (RB) commented that the incremental cost of MP162 would still be huge even if split across more participants. The DCC (SS) agreed that it needs to be firmly established who would be paying for these changes. Participants could also consider using the DCC's elective services to pay for bespoke improvements above the core service. This area was discussed further later in the meeting.

The DCC (CS) noted that it would want to keep costs low for Suppliers so want to do as much as possible under the existing setup. Alternative option 1 would be a big change for Suppliers. The DCC is also assuming that Users would be using the 24-hour TRTs and was not keen on the other two options. A member (SC) noted the wider MHHS programme was developing solutions to meet the requirements, rather than focusing on the costs and simply going with the cheapest option.

The DCC has spoken to Ofgem about this aspect of solution and is seeking clarification on how to proceed regarding costs versus equal access. Ofgem is considering the position but is aware of all the views raised. The DCC would not want to take more than one solution to Impact Assessment as this will increase the costs and timescales due to each option being treated like a separate modification. A member (EL) agreed this clarification is needed.

A member (SC) sought clarification on why the DCC would be impacted differently by the alternative options, as the DCC would still expect the same volumes of data in each case. The Working Group considered that this would be difficult to firm up until the end-to-end processes for MHHS are developed, to understand how the consumption data is subsequently processed.

The MHHS Programme (IS) noted that the end-to-end design is not complete and will need to actively consider how Suppliers will consume MHHS data and what will need to be mandated as part of the overall design. They asked whether it is an assumption that Suppliers will continue to behave as they do now, whether the use cases for shorter TRTs were clear, and whether these options would materially affect the traffic volumes. The Programme will also need to carry out some further work to support the steer from Ofgem noted previously.

SECAS (AA) noted the Technical Architecture and Business Architecture Sub-Committee's (TABASC) comments that there would be multiple scenarios. There will be Users such as Suppliers able to collect this data today, those that use a Shared Resource Provider (SRP), and new entrants like MDR Users. For the Impact Assessment, it should be worked out how much capacity each group will utilise. This will result in several different possible scenarios. They queried if these could be assessed as part of the Impact Assessment and a decision taken after that.

A member (JM) asked what impact the second alternative option would have on the DCC's solution. The DCC (SS) clarified that the challenge with shorter TRTs is that there wouldn't be any technical or regulatory elements to prevent a User submitting all requests on-demand and overloading the system. While the DCC acknowledged this shouldn't happen, there is nothing to enforce this. The member felt Users should only use an on-demand request if a scheduled request failed. The DCC noted this would need to be codified, and there is no means to mitigate future behavioural changes.

The Chair queried whether the DCC could monitor and report on the volume of scheduled requests versus on-demand requests. The DCC (CS) agreed the DCC could monitor this from now, and if significant increases in on-demand requests are seen around MHHS go-live then the DCC and SECAS can talk to the relevant Users as needed. The DCC (SS) acknowledged a further challenge of needing to define a 'reasonable level of behaviour'. Additionally, the DCC could only report on this retrospectively.

The MHHS Programme (IS) felt that the difference in volumes between the DCC's current solution and alternative option 2 would be the extra volume of requests from Suppliers. They queried the current volume of failed scheduled reads. The DCC (SS) will need to validate this but felt it was less than 5%.

A member (JG) noted they used on-demand requests for triage purposes and scheduled requests for most other uses. Currently SRV 4.8.1s are issued daily where customers have requested the data. Where the data failed to be retrieved, they would investigate why before sending an on-demand request. In their experience, failures were often where a request was made for a month's worth of data at once.

The DCC (CS) noted their preference for Users to obtain the data daily. They also noted the modification should focus on providing data for settlement, where a 24-hour turnaround will be sufficient. If MDR Users wanted shorter TRTs, they could raise a further modification, or make use of the DCC's elective services.

A member (JM) noted the scenario of a meter exchange where the MDR User would need to obtain readings within-day. Another member (EL) noted the cumulative read could be taken and the missing half-hours extrapolated from that. They emphasised that the processes that exist for half-hourly meters don't exist for smart meters.

A member (JM) queried if there is a need to challenge the dominance of Suppliers around smart meters, feeling consumers could benefit from more competition in this space. Another member (EL) noted that it was the Department for Business, Energy and Industrial Strategy's (BEIS) intent that the Supplier managed everything with smart metering. While they did not disagree with the first member's view, they noted this would require unpicking this original intent.

A member (JG) reiterated previous points raised that Suppliers receiving data from the DCC during working hours would have a significant impact on them, should data requested overnight come in after 08:00.

A member (JM) noted there should be incentives for Users to not submit on-demand requests frivolously. Another member (EL) supported this but noted these incentives and how they would work would need to be defined by the DCC with support from the industry.

DCC requirement clarifications

The DCC (SS) queried whether the Working Group was content to adopt the requirement clarifications included in the consultation. They also took the Working Group through the proposed way to allocate requests to peak or non-peak windows, based on the User Role submitting the Service Request. The Working Group had no comments on the proposal and was content to adopt the proposed revisions.

Conclusions and way forward

The Working Group agreed to narrow the alternative options down to option 2. Based on the steer from Ofgem around whether to prioritise cost efficiency or equal access, either the original proposed solution or this alternative option respectively will be progressed forward to Impact Assessment.

The Impact Assessment request has been targeted for presentation at the 13 December Change Board meeting. Subject to when Ofgem's clarification is received, if the current proposed solution is progressed, this could be submitted (possibly as a late paper). Should the alternative option be taken forward, the DCC would first need to review and update the cost to complete an Impact Assessment before the request could be taken to the Change Board for approval. This would extend the timescales for this modification while this took place.

Consideration of remaining solution areas

SECAS (DK) took the Working Group through the remaining areas of the solution.

New SEC Party category

A member (JM) queried whether an MDR User already acceded as an Other SEC Party would not need to re-accede. SECAS (DK) confirmed this is the expectation.

Security and privacy assessments

A member (JM) queried if Deloitte's views could be circulated, as they were not sure why an MDR User would need to undergo a Privacy Assessment if they had been appointed by a Supplier. SECAS (DK) agreed to look into this query and provide a response.

Reporting

A member (JM) considered whether the success rate of daily reads should be reported. Noting the 'MHHS flag' has been removed from the solution, they queried if the SRV 4.8.1 could be assumed as being used for MHHS. The DCC (SS) noted this is already used for other requests, so that assumption wouldn't work. The member also queried if there should be reporting around the DCC retrieval process, but the DCC was concerned this could overlap with existing processes. Furthermore, failures could be down to a wide range of reasons, some of which would be outside the DCC's control.

A member (EL) noted that performance and processes are different under smart compared to half-hourly, with a lot of different moving parts. It would need to be clear what the reporting is for and who is responsible for each part, and there is nothing in the SEC regarding missing data and investigations into this. They also queried if MDR Users would have access to the Self-Service Interface (SSI), which the DCC (DW) confirmed they would. Another member (PS) considered any reporting would need to be reconciled in the end-to-end process discussions.

A member (JG) noted Suppliers will need to be involved in investigating the root cause of issues. The SSI is part of this but would not be sufficient on its own. They use read data to diagnose Home Area Network (HAN) or Wide Area Network (WAN) issues. They also noted issues could be due to certificates, and consideration would be needed on whether an issue was a one-off or over an extended period. There is a lot of different evidence that needs to be considered when investigating issues, with no one simple diagnostic. Another member (EL) flagged that an agent wouldn't be able to assess issues with Devices on-site as no data could be obtained from Devices there. A further member (MR) noted issues in the Communications Service Provider (CSP) North region can also be due to the telecommunication masts

A member (JM) queried if there could be reporting on participants, such as whether they are using schedules. Another member (EL) considered this would be a significant change and would require policy changes beyond the SEC.

A member (DD) considered that if an MDR User was not receiving readings, there would be an agreement with the Supplier to investigate. Another member (PS) noted there will be obligations covered by Supply Licence Conditions and that the Codes should not duplicate that.

A member (JM) considered the earlier discussions about the DCC monitoring the proportion of on-demand requests versus scheduled requests. The Working Group agreed this would be beneficial but did not consider there needed to be any further reporting specifically linked to the MP162 solution.

Charging methodology changes

A member (JM) noted it did not seem fair for an MDR User to benefit from MP162 without contributing to the costs.

Another member (RB) highlighted that during discussions with Ofgem over the price control the costs for MP162 were raised. Ofgem is paying very close attention to this modification and will scrutinise the cost and efficiency of this solution. They considered it would be prudent to validate the proposed way forward to make sure it is not going down the wrong route.

A member (JM) queried if there had been any consideration around charging based on the volume of requests submitted. There could be different rates for different Service Requests too, or whether a User submitted request daily or monthly. Another member (EL) confirmed this had been considered in the early days of smart metering, but the effort needed to identify who was doing what had been

considered excessive and would have needed complex monitoring. A further member (RB) noted that where they had seen this done elsewhere, such an approach had often turned out more complex than envisioned.

A member (EL) noted that changes to the current charging model would require approval from Ofgem and queried whether it would be open to reviewing the charging methodology. Furthermore, if a proposal was put forward, Ofgem would likely require much more detail before reaching a decision.

A member (JM) considered that MDR Users would be heavy users of the DCC's network, and so felt they would need to pay somehow. If change wasn't made prior to the new User Role being implemented, it could be harder to do later.

The Working Group noted the discussions but concluded that changes to the charging methodology would be a significant change that would be best considered separately to MP162.

Next steps

The following actions were recorded from the meeting:

- SECAS and the DCC to engage with Ofgem to seek a steer around whether to prioritise cost efficiency or equal access within the solution. This will determine the next steps for requesting an Impact Assessment, and SECAS will keep the Working Group informed.
- SECAS to provide clarity on the need for MDR Users to undertake Privacy Assessments.