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MP140 'CH Stock Transfer'

January 2022 Working Group – meeting summary

Attendees

Attendee	Organisation
Ali Beard	SECAS
Joe Hehir	SECAS
Bradley Baker	SECAS
Kev Duddy	SECAS
Mike Fenn	SECAS
Tim Newton	SECAS
David Walsh	DCC
Robin Seaby	DCC
Sasha Townsend	DCC
Samuel Manson	DCC
Leigh Hill	DCC
Emma Johnson	British Gas
Lynne Hargrave	Calvin Capital
Alex Hurcombe	EDF Energy
Julie Geary	E.ON
Daniel Davis	ESG Global
Terry Jefferson	EUA
Peter Hoare	Kaifa Metering
Ralph Baxter	Octopus Energy
Mafs Rahman	Scottish Power
Audrey Smith-Keary	OVO Energy
Emslie Law	OVO Energy
Matthew Alexander	SSEN
Gemma Slaney	WPD

Overview

The Smart Energy Code Administrator and Secretariat (SECAS) provided an overview of the issue and the Proposed Solution identified in [MP140 'CH Stock Transfer'](#), and the Data Communications Company's (DCC's) Impact Assessment response.

Issue

Smart Energy Code (SEC) Parties have raised concerns in relation to excess Communications Hub stock in their warehouses. This issue has been amplified by the impacts of social distancing guidance, whereby SEC Parties could not install Communications Hubs for a number of months. Returning Communications Hubs to the DCC will result in charges, even if the DCC are able to redeploy them.

Parties have enquired whether they can transfer excess stock directly to SEC Parties who have demand for them. The SEC does not currently accommodate this as there is no way to transfer the liability of any loss, destruction or damage of Communications Hubs to the Parties who would take on the excess stock.

Proposed Solution

The Proposed Solution is for the DCC to provide a means of allowing Parties to exchange Communications Hub units between themselves directly, rather than returning them to the DCC. After a stock transfer has been completed between the two Parties, the DCC would share the transfer details with the Data Services Provider (DSP) to acknowledge the change of ownership, liability, and charges.

Working Group Discussion

Impact Assessment summary

SECAS provided an overview of the background to the modification, and a summary of the DCC's Impact Assessment response, starting with how information would be communication and displayed:

- Communication between the DCC and SEC Parties will be via email
- Available Communications Hub stock will be listed on the DCC customer SharePoint
- Transaction records for transferred Communications Hubs will be made available on the DCC SharePoint
- The DCC will publish via the DCC customer SharePoint its selection criteria for allocating Communications Hubs to requesting SEC Parties and the steps that it will take in the event of a dispute

SECAS further summarised other key points from the Impact Assessment:

- Only Communications Hubs with an Smart Metering Inventory (SMI) status of 'Pending' will be eligible for transfer
- DCC Logistics will share the details of the completed transfer of Communications Hubs with the DSP
- A new file upload interface will be provided within the SSMI to support this
- The DSP will update the Communications Hub Logistics records in the SMI with the new Service User ID for the list of Communications Hubs
- The updated Communications Hub records will be available in the next scheduled delivery of Communications Hub Delivery Report (ESI-013)
- The DCC will use this for charging the new Service User

A member questioned why the solution only applied to Communications Hubs with a status of 'Pending'. The DCC advised that if a Communications Hub is any status other than 'Pending', it meant it had been used. Used Communications Hubs must be returned to the Communications Services Providers (CSPs) via a business as usual (BAU) returns process. This is due to used Communications Hubs potentially containing consumer data. The Working Group agreed that the scope of MP140 should not be extended to address the returns process for Communications Hubs that had already been installed or partially installed. However, it was noted that in light of the possible shortages of Communications Hubs the process for returning and re-flashing/resetting used Communications Hubs should be investigated by the DCC to ensure as many Communications Hubs as possible are available for deployment.

Legal text

SECAS noted the DCC had drafted legal text for Section F 'Smart Metering Systems Requirements', Section K 'Charging Methodology' and Appendix H 'CH Handover Support Materials'. This is currently undergoing review by the SEC Lawyers. However, SECAS highlighted an extract which it felt Suppliers needed to be aware of:

- *F7.13: The transfer of Communications Hubs occurs on removal of the Communications Hubs from the delivery vehicle at the Transfer Location.*
- *F7.14: Risk of loss or destruction of or damage to the Communications Hubs shall transfer to the Party which submitted the Communications Hub Transfer Request on commencement of their unloading at the Transfer Location (where unloaded by the requesting Party) or on completion of their unloading at the Transfer Location (where not unloaded by the requesting Party).*
- *F7.15: Notwithstanding delivery, legal and beneficial ownership of the Communications Hubs shall at all times remain vested in the DCC.*

A member queried who had liability for transferred Communications Hubs that were rejected by the receiving Supplier. The DCC advised that in this scenario, liability would remain with the sending Supplier and agreed this point would be made clear in the legal text.

Implementation costs

SECAS advised that only DSP System changes were required and the Communications Services Provider (CSP) Systems not impacted.

The DCC has provided the following implementation costs in the Impacts Assessment:

Breakdown of DCC costs			
Design, Build, and PIT	Integration Testing, SIT and UIT	Implementation to Live	Total
£111,640	£50,000 (Systems Integrator Release costs)	£3,029	£164,669

Application Support costs have also been provided at £23,381 (these are not included in the figures above) from November 2022 to October 2024.

SECAS noted the implementation had decreased from the costs quoted in the Preliminary Assessment, these being between £301,000 to £625,000 for Design, Build and Pre-Integration Testing (PIT) only.

SECAS highlighted a point in the Impact Assessment made by the DCC in supporting the business case for MP140. During 2021, as a result of Supplier of Last Resort events and to assist Suppliers with low stock, DCC has facilitated that transfer of over 100,000 Communications Hubs, which is a labour-intensive manual process that, if transfers continue to be supported in this way, will require an additional two full time equivalent (FTE) staff at a cost of approximately £80,000 per annum to be borne by DCC Users. Implementation of MP140 would avoid this ongoing additional cost.

Working Group views against MP140

The Working Group agreed:

- The business case justifies the implementation costs
- The modification is ready to proceed to Refinement Consultation

Benefits, objectives, and implementation approach

SECAS noted the following Party impacts:

- Supplier Parties: Will have a means of exchanging Communications Hubs between each other rather than returning them to the DCC and incurring refurbishment and returns costs
- Device Manufacturer: May have fewer orders if the stock of Communications Hubs can shift between Supplier Parties

SECAS also highlighted that if there were to be a significant shortage in Communications Hub stock, this modification would make it easier for those Suppliers experiencing shortages to obtain more stock. This would mitigate against a slower rate of smart meter installations due to a lack of Communications Hubs which impacts consumers.

SECAS noted MP140 would better facilitate SEC Objective (a)¹ by providing a more efficient provision and installation of smart metering Devices. SECAS also highlighted a solution was needed as soon as possible in order reap the most benefit. Therefore, MP140 is targeted for the November 2022 SEC Release.

Next Steps

The following actions were recorded from the meeting:

- SECAS to issue a Refinement Consultation following review of the legal text (targeted for early-January 2022)

¹ to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.