SEC
Smart Energy Code

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Smart Energy Code

MP140
'Communications Hub Stock Transfer'

Modification Report

Version 0.8

20 January 2022

Corporate member of Plain English Campaign
Committed to clearer communication
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About this document

This document is a draft Modification Report. It currently sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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This document also has four annexes:

- **Annex A** contains the business requirements for the solution.
- **Annex B** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.
- **Annex C** contains the full Data Communications Company (DCC) Impact Assessment response.
- **Annex D** contains the full responses received to the first Refinement Consultation.

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1. Summary

This proposal has been raised by Sasha Townsend from the DCC.

SEC Parties currently order Communications Hubs (CHs) through the DCC. If a CH order needs to be cancelled, the Party will be subject to charges in accordance with the SEC Section K 'Charging Methodology'. In March 2020, the UK government issued social distancing guidelines which led to a reduction in installations of smart metering equipment. Some SEC Parties built up an excess of stock and are now looking to transfer this excess CH stock. The DCC has proposed that the SEC Parties who want to transfer this stock should be able to send it directly to SEC Parties who are still taking CH orders. This should reduce logistics, inefficiencies and effort on the part of SEC Parties and the DCC.

The Proposed Solution is for the DCC to provide a means of allowing SEC Parties to exchange CH 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 Service Provider (DSP) to acknowledge the change of ownership and liability.

This modification will impact Suppliers, Other SEC Parties and the DCC. The Proposed Solution has a lead time of five months with a targeted implementation date of 3 November 2022 (November 2022 SEC Release). The implementation costs are £164,669 and an additional £23,381 in Application Support from November 2022 to October 2024. This modification is being progressed as a Self-Governance Modification.

2. Issue

What are the current arrangements?

SEC Parties currently order CHs in accordance with SEC Section F 'Smart Metering Systems Requirements' and are required to:

- forecast their CH orders covering the 24-month period commencing on the sixth month after the month in which the forecast is submitted; and
- confirm their orders five months prior to delivery within tolerances based on their forecasts ten months and seven months prior to delivery.

If a customer wants to cancel an order, then it will be subject to charges incurred by the DCC.

In accordance with SEC Section F6.5, risk of loss or destruction of or damage to ordered CHs transfers to the ordering SEC Party on commencement of it unloading stock at the Delivery Location. At this point, the ordering SEC Party will also be required to pay the "CH stock level charge" as set out in SEC Section K7.5.

SEC Section F8 sets out the obligations surrounding the return of CHs. Including in the case of a Supplier of Last Resort (SoLR) event where SEC Section F8.7 states that where a SEC Party ceases to be a SEC Party, it shall return to the DCC all the CHs that have been delivered but not yet installed.

What is the issue?

Many SEC Parties have raised concerns in relation to excess CH stock in their warehouses. This issue has been amplified by the impacts of social distancing guidance set out by the UK government in March 2020, whereby SEC Parties could only install a reduced number of CHs for several months.

Whilst MP130 'CH order and delivery changes due to COVID-19' mitigated risk of further increases to stock levels, SEC Parties have also enquired whether they can transfer excess stock 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 CHs to the SEC Parties away from those relinquishing CHs to those who would take on the excess stock. There is also not a method to transfer the CH stock level charges to the SEC Party receiving the new stock.

Furthermore, where a SEC Party ceases to be a SEC Party and where a SoLR has been assigned, the failed SEC Party and the DCC are unable to transfer the uninstalled Communications Hubs to the SoLR. This means that the only option for SEC Parties to reduce their excess stock is to cancel future CH orders or return excess CHs to the DCC via SEC Section F8, thus incurring charges.

What is the impact this is having?

Currently, the only method of a SEC Party returning CHs which remain uninstalled is to return them to the DCC. This results in charges being levied against the SEC Party. The DCC will then send the stock back out from warehouses to a SEC Party that is still placing CH orders. This expends unnecessary costs, time and effort on the DCC to have the CHs shipped back to it, before being shipped out again to another SEC Party.

3. Solution

Proposed Solution

A flow diagram explaining the proposed CH stock transfer process in Appendix 1 of this document.

The Proposed Solution is for the DCC to provide a means of allowing SEC Parties to exchange CH units between themselves directly, rather than returning them to the DCC. After a stock transfer has been completed between the two Parties, the DCC Logistics team will share the transfer details with the DSP to acknowledge the change of ownership and liability. This exchange would be carried out via the DCC customer SharePoint, and communication between the SEC Parties (both sending and receiving CH units) and the DCC will be done by email. The transaction records as requested in the business requirements would be available on the DCC customer SharePoint. The DCC will also use its customer SharePoint to share the list of selection criteria for a SEC Party that requests additional CH units, and to outline the steps DCC will take in the event of a dispute between the SEC Parties exchanging CH units.

A new file upload interface will be provided for the purpose of CH stock transfer notification. This interface and the subsequent processing will be built in accordance with the existing processing patterns for file upload. The file will contain the list of CH IDs and the new Service User Reference. The DSP will update the Smart Metering Inventory (SMI) with the new Service User ID for the list of CHs. Only CHs with an SMI status of 'Pending' will be eligible for transfer and this will be enforced by

way of validation checks within the Self-Service Management Interface (SSMI). The flow diagram in Appendix 1 of this document how the Proposed Solution would take effect.

The SEC Party ID of the new recipient of the transferred CHs is updated in the DSP systems (SMI) only. The Communications Services Provider (CSP) records will not be updated since there is currently no mechanism to notify them when an update of this nature is made to the CH record. The updated CH records will be available in the next scheduled delivery of the CH Delivery Report.

The business requirements are set out in Annex A.

4. Impacts

This section below summarises the impacts that would arise from the implementation of this modification if the Proposed Solution were to be implemented.

SEC Parties

SEC Party Categories impacted			
✓	Large Suppliers	✓	Small Suppliers
	Electricity Network Operators		Gas Network Operators
✓	Other SEC Parties	✓	DCC

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers		Meter Installers
✓	Device Manufacturers		Flexibility Providers

Supplier Parties

Supplier Parties will be impacted by having a means of exchanging CHs between each other rather than returning them to the DCC and incurring refurbishment and returns costs. This would allow an alternate means for Supplier Parties who have built up an excess of CH stock to offload it to a willing recipient.

Suppliers would also avoid the cost of administering an enduring manual process to transfer CH stock and reconcile billing. The DCC estimates that without the Proposed Solution this would require two full-time equivalent (FTE) staff at a cost of approximately £80,000 per annum.

The solution has no impact on User Systems.

Supplier Parties wishing to offer or request CH stock will be required to:

- Interact with DCC via email and the DCC customer SharePoint;
- Provide or receive lists of CHs for transfer in a format specified by DCC; and
- Interact with other Service Users whether acting as the transferring or receiving Party as part of a CH stock transfer transaction.

Other SEC Parties

Other SEC Parties may be impacted, in particular Device Manufacturers, by having fewer orders if the stock of CHs may shift between Supplier Parties rather than placing orders with the DCC to acquire more CH units. However, this solution may prevent wasting or scrapping CH units. It could also reduce costs creating new CH units if industry participants are free to exchange CH units between themselves rather than return them directly to the DCC.

Meter Asset Providers

Meter Asset Providers (MAPs) might also be impacted by this modification. Confirmation on the impacts is sought via the Refinement Consultation.

DCC System

DSP systems

This modification will impact the DSP systems. Changes will be required to the SMI and SSMI in order to make updates to CH stock ownership and for keeping a record on transfers that have taken place.

Self Service Management Interface

The SSMI will be updated to provide an interface to upload the 'CH Stock Transfer' file for the DSP's processing.

Data Management

Data Management will be updated to process the CH Stock Transfer file contents received from SSMI and to update the Inventory with the same.

Data Management will implement the validation check to accept the updates only for the CHs with an SMI status of 'Pending'.

Security Impact

The DSP Security Assurance team has reviewed this change and found there is no material impact on the DSP security implementation.

CSP systems

The CSP systems are not impacted by this modification.

The full impacts on the DCC Systems and DCC's proposed testing approach can be found in the DCC Impact Assessment response in Annex C.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section F 'Smart Metering Systems Requirements'
- Section K 'Charging Methodology'
- Appendix H 'CH Handover Support Materials'

The changes to the SEC required to deliver the proposed solution can be found in Annex B.

5. Costs

DCC costs

The DCC implementation cost to implement the Proposed Solution is £164,669. In addition to the implementation costs, there is a total of £23,381 in Application Support costs for the period from November 2022 to October 2024.The breakdown of these costs are as follows:

Breakdown of DCC implementation costs	
Activity	**Cost**
Design, Build and Pre-Integration Testing (PIT)	£111,640
Systems Integration Testing (SIT) and User Integration Testing (UIT) – System Integrator costs	£50,000
Implement to Live	£3,029
Application Support (November 2022 to October 2024)	£23,381

Application Support

The DSP has made a conservative estimate that the solution will result in up to two low complexity calls per month that need to be assimilated, investigated, resolved and then monitored.

More information can be found in the DCC Impact Assessment response in Annex C.

SECAS costs

The estimated Smart Energy Code Administrator and Secretariat (SECAS) implementation costs to implement this modification is one day of effort, amounting to approximately £600. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

There were two respondents to the Refinement Consultation. One respondent stated that it was hard to quantify what additional costs might be incurred by this change. The other said they would incur minor costs, but these would be outweighed by the benefits of the change.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **3 November 2022** (November 2022 SEC Release) if a decision to approve is received on or before 23 March 2022; or
- **29 June 2023** (June 2023 SEC Release) if a decision to approve is received after 23 March 2022 but on or before 29 January 2023.

The lead time returned in the DCC Impact Assessment for the Proposed Solution is five months. Although none of the SEC Technical Specifications are impacted, it does require DSP System changes and should therefore be implemented alongside other DCC System impacting modifications. The November 2022 SEC Release is the earliest viable SEC Release with DCC System impacting changes being made. In order to accommodate Systems Integrator Release testing, SECAS estimates a decision to approve is need on or before 23 March 2022. If a decision to approve is received after 23 March 2022, the next viable release would be the June 2023 SEC Release.

Refinement Consultation respondents cited a maximum of three months would be required to facilitate the changes proposed by the Modification Proposal. Three of the five respondents believe they could implement the solution immediately, or nearly immediately, citing the internal processes would need minimal time and effort to align with the offered solution.

7. Assessment of the proposal

Observations on the issue

The Change Sub Committee (CSC) agreed that the issue was one which needed addressing as soon as possible given the impact it was having on Suppliers and their stock of CH units. It agreed this Draft Proposal would likely help facilitate transfer of CH stock in the event of a SoLR. The CSC also urged this proposal be progressed swiftly to get a solution in place as quickly as possible.

The DCC noted the issue had been presented to its Supply Chain Group that was reviewing arrangements. Suppliers present on this group supported this to be pushed forward so a solution could be in place for the mid-term ordering under the temporary arrangements.

Solution development

The Working Group agreed with the issue raised under the Modification Proposal and that it made sense to find a way of transferring CH stock between SEC Parties, rather than returning units where possible. The Working Group agreed with the business requirements presented at the meeting, but requested additions be made to include a disputes process and Advanced Shipping Notification (ASN) to any solution being created. SECAS acknowledged these points and updated the business requirements to reflect these prior to issuing the Preliminary Assessment request to the DCC.

A Working Group member asked about which Party the liability would lie with in the case of a transfer of CH units. The DCC answered that the SEC Party offloading their CH units would remain responsible for the Device until it had been delivered successfully, meaning that it will be the responsibility of the transferring Party to ensure the CH units are delivered. A Working Group member asked about "legal costs" associated with the Impact Assessment request cost. After consulting with their Service Providers, the DCC believes that the costs associated with these legal checks are negligible.

Potential alternative solution

The DCC offered an alternative solution (Option A within the Preliminary Assessment) as part of the Preliminary Assessment. This would inform the appropriate CSP as well as the DSP on updates related to the transfer of CH stock. The following flow diagram showed how this would have worked by using both the SMI and the CSP:

SEC MP140 Solution option A – stock re-allocated in CSP systems and Smart Metering Inventory

Whilst this was presented as an option, the DCC advised against it due to a substantially larger cost compared to the Proposed Solution, with it ranging between £975,000 to £1,125,000 for Design, Build and PIT. The DCC also stated there would be a long lead time associated with this alternative solution, estimating it as 12 months up to the end of PIT, instead of ranging between three to six months (later confirmed as five months) for the Proposed Solution. When Working Group members

considered this, there was no support for this alternative solution, and it was subsequently discarded. This was supported by the Refinement Consultation responses, with every respondent who believed the Modification Proposal should be approved preferring the Proposed Solution.

Working Group views following Impact Assessment

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

The Working Group agreed the solution met the business requirements and was cost-effective.

TABASC views following Impact Assessment

A TABASC Member queried the proposed process given its largely manual steps and asked whether the DCC are able to automate it further. SECAS agreed to provide the TABASC's feedback to the Working Group and Proposer. The DCC advised that the solution at present is the most cost-effective solution. They noted that there was an alternative option in the Preliminary Assessment (solution option A) which involved notifying the CSPs of the new Service User IDs for the CHs and may have automated some processes. However, industry agreed prior to the Impact Assessment that solution option B (notify DSP only) was more cost-effective and this was reflected in the Refinement Consultation. The DCC added it has tried to utilise the process for the order and delivery of CHs as close as possible to ensure consistent documentation. However, if the DCC were to automate this process further, this would likely need a further Impact Assessment and therefore more cost to industry.

The member also queried if the DCC had considered the impacts on the CH keys/Certificates during the process as they needed to be loaded onto the Device in order to prevent it from remaining in a 'Pending' state. The DCC later advised that the Smart Metering Key Infrastructure (SMKI) keys are not installer specific and CHs do not have installer SMKI Certificates. I.e. a Supplier is not a Known Remote Party to a Communications Hub Function (CHF). This means the Certificate installation is only specific to the CSP and once the keys have been loaded onto the CH, the Certificate Signing Request (CSR) is provided to the DCC and that is loaded into SMKI accordingly.

SECAS noted that there may be change to the process for Network Evolution and that this might incur changes to the Business Architecture Document (BAD). However, any changes would need to be made once a long-term view of the process under Network Evolution is understood and following the DSP re-procurement.

The TABASC agreed that the DCC's solution was of cost-effective.

Cost benefit analysis

Pre-full Impact Assessment views

A Working Group member believed that even with the Proposed Solution being used rather than the potential alternative solution, it would be difficult for Users to realise a cost saving with the modification. This was considering the estimated costs within the Preliminary Assessment, which have now decreased following the DCC's full Impact Assessment. The Proposer (DCC) responded believing that as the cost of returning a CH unit to the DCC costs approximately £7 as noted in the CH returns process, it would require tens of thousands of units to equal the cost of the modification. They also stated that they had a User who wants to return thousands of CH units, something they believed indicated that Users would benefit from the Proposed Solution.

The member believed there was still an issue about which Parties would benefit from the solution, stating that some Users may benefit from it, but that Users who won't need any bulk return of CH units would be paying for something they may not use. SECAS stated this would be investigated as part of the Refinement Consultation to ascertain which industry participants it would benefit. The Refinement Consultation returned responses that stated that there would be savings to Suppliers, both at an individual and industry wide level. One of these responses supporting the modification suggested the sooner the solution is implemented, the greater the savings across industry would be made.

In the Refinement Consultation, the Large Supplier respondents by majority and one Small Supplier respondent believed that the benefits would outweigh the costs given the build-up of CH units that could be offloaded and where costs of returns to DCC could be avoided. The Small Supplier believed that greater benefits would be achieved if the modification was implemented sooner and asked if there was any means of reducing the lead time. The Large Suppliers (whilst believing there was clear benefit) did question the cost of the solution given they had undertaken similar (but manual) processes to try and achieve a similar outcome.

Post-full Impact Assessment views

Whilst the Preliminary Assessment returned an estimated cost of between £301,000 to £625,000 up to the end of PIT, the subsequent full Impact Assessment confirmed a lower cost of £111,640 up to the end of PIT. Including the Systems Integrator Release costs and Implementation to Live costs, the full implementation cost has been confirmed as £164,669, still relatively cheaper than the costs returned in the Preliminary Assessment.

The Impacts Assessment provided a benefits summary. It stated the main beneficiaries of the modification are Service Users, who will gain the ability to utilise excess stock from other Service Users to fulfil short term needs. They would also avoid the Explicit Charges associated with return and redeployment of CHs. The Explicit Charges associated with returning a pallet of CHs (896 units) are in the region of £6,000.

The DCC also noted that it too would benefit from the modification by supporting Service User requests to transfer CHs whilst maintaining accurate billing to each User for stock held, leveraging existing billing system interfaces and automation. This would provide clear accountability for CH stock transferred between Service Users.

Cost analysis of interim manual process

During 2021, as a result of SoLR events and to assist Suppliers with low CH stock, the DCC has facilitated the transfer of over 100,000 CHs., This is a labour-intensive manual process that, if transfers continue to be supported in this way, will require an additional two FTE staff at a cost of approximately £80,000 per annum to be borne by DCC Users. Implementation of this modification would avoid this additional cost.

Support for Change

The Working Group was supportive of resolving the identified issue but was unsure if the benefits had been shown to outweigh the costs. Following the return of the Impact Assessment, both the Working and the TABASC agreed that the business case justifies the implementation costs.

The Refinement Consultation respondents broadly believed that the Modification Proposal should be approved.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that General SEC Objective (a)[1] would be better facilitated as a result of this Modification Proposal. The reasons given were that it would provide a more efficient provision and installation of smart metering Devices. Also, it would give Supplier Parties a means of exchanging CHs between each other rather than returning them to the DCC and incurring refurbishment and returns costs. This would allow an alternate more efficient means for Supplier Parties who have built up an excess of CH stock to offload it to a willing recipient.

Industry views

Every Refinement Consultation respondent believed the Modification Proposal would better facilitate General SEC Objective (a). They believed this due to reducing the rental costs for the number of CH units and therefore lowering business costs, delivering a more efficient approach to returning CH units and by finding multiple ways of addressing excess CH levels. One respondent also believed the Modification Proposal would better facilitate General SEC Objective (b)[2] by helping the DCC comply with its obligations by diverting CH units to organisations that would order them.

Views against the consumer areas

The Modification Proposal would have a largely neutral impact on consumers as it will only affect how an organisation removes and gains CH stock, rather than improve the functionality of any CH stock. There may be a minor pass through of cost savings from organisations that will avoid paying DCC

[1] Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain.

[2] Enable the DCC to comply at all times with the objectives of the DCC licence and to discharge the other obligations imposed upon it by the DCC licence.

charges for the return if they can transfer the CH stock to a willing organisation, but otherwise consumers are not expected to be impacted.

Improved safety and reliability

The Modification Proposal is neutral against this consumer benefit area. This is due to not affecting any element of safety or reliability within the SMIP.

Lower bills than would otherwise be the case

The Modification Proposal may yield a minor benefit for consumers in this area. If the organisation affected has reduced operating costs as a result of this Modification Proposal, there may be a pass through to the consumer.

Reduced environmental damage

The Modification Proposal has a benefit in this area. By organising logistics between a sender and receiver directly rather than including the DCC, this will reduce carbon emissions used for transporting the CH units the extra distance.

Improved quality of service

The Modification Proposal has a benefit in this area. If, in the extreme case, there is an absolute shortage of CHs (i.e. new CH orders can't be satisfied) then facilitating the redistribution of CHs directly between Suppliers could have benefits. This could lead to consumer benefits if the Proposed Solution enabled the continuation of installations at a time of CH shortages.

Benefits for society as a whole

The Modification Proposal has a minor benefit in this area. This is due to reducing the carbon emissions and delivering a potential reduction in consumer bills as mentioned earlier.

Appendix 1: Proposed CH stock transfer process

Appendix 2: Progression timetable

A second Refinement Consultation has been issued with responses requested by 8 February 2022. This consultation contains the draft legal text for which views on it are sought. Following this, we will present the final Modification Report to the CSC on 15 February 2022 for request to proceed to the Report Phase.

Timetable	
Event/Action	**Date**
Draft Proposal raised	18 Aug 2020
Presented to CSC for comment and recommendations	25 Aug 2020
Panel converts Draft Proposal to Modification Proposal	11 Sep 2020
Modification discussed with Working Group	7 Oct 2020
Preliminary Assessment issued	27 Jan 2021
Preliminary Assessment returned	23 Mar 2021
Modification discussed with Working Group	5 May 2021
Refinement Consultation	17 May 2021 – 7 Jun 2021
Impact Assessment request	23 Jun 2021
Impact Assessment issued	24 Jun 2021
Impact Assessment returned	16 Dec 2021
Modification discussed with OPSG	4 Jan 2022
Modification discussed with Working Group	5 Jan 2022
Modification discussed with TABASC	6 Jan 2022
Refinement Consultation	20 Jan 2022 – 8 Feb 2022
Modification Report presented to CSC for approval	15 Feb 2022
Modification Report Consultation	16 Feb 2022 – 9 Mar 2022
Change Board vote	23 Mar 2022

Appendix 3: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	**Full term**
ASN	Advanced Shipping Notification
BAD	Business Architecture Document
BAU	Business as usual
CH	Communications Hub
CHF	Communications Hub Function
CSC	Change Sub-Committee

Glossary	
Acronym	**Full term**
CSP	Communication Services Provider
CSR	Certificate Signing Request
DCC	Data Communications Company
DSP	Data Services Provider
FTE	Full-time equivalent
OPSG	Operations Group
PIT	Pre-Integration Testing
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SIT	Systems Integration Testing
SMI	Smart Metering Inventory
SoLR	Supplier of Last Resort
SSMI	Self Service Management Interface
TABASC	Technical Architecture and Business Architecture Sub-Committee
UIT	User Integration Testing

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MP140 'CH Stock Transfer'

Annex A

Business requirements – version 0.3

About this document

This document contains the business requirements that support the solution(s) for this Modification Proposal. It sets out the requirements along with any assumptions and considerations. The Data Communications Company (DCC) will use this information to provide an assessment of the requirements that help shape the complete solution.

1. Business requirements

This section contains the functional business requirements. Based on these requirements a full solution will be developed.

Business Requirements	
Ref.	**Requirement**
1	SEC Parties shall notify DCC when they want to offer Communications Hubs for transfer to and/or from another SEC Party
2	DCC shall notify all ordering SEC Parties of available Communications Hubs
3	SEC Parties shall notify DCC of number of Communications Hubs they want to adopt
4	DCC will keep a record of transactions between SEC Parties, which will be publicly accessible
5	The DCC process created for Communication Hub stock transfers will have a transparent selection model for which Supplier Party can transfer Communications Hub stock
6	The DCC will ensure a disputes process is included in any solution

2. Considerations and assumptions

This section contains the considerations and assumptions for each business requirement.

2.1 General

Any considered solution will ensure that liability remains between the original Supplier and the new Supplier, where the DCC will allow for the environment for the transfer of Communications Hub stock to be facilitated. It will be the responsibility of the Suppliers to transport their Communications Hub stock from location to location to ensure that the stock being transferred matches the description being transferred.

The solution should allow for any Smart Energy Code (SEC) Party to either list their Communications Hub stock and for any SEC Party to transfer Communications Hub stock through this mechanism.

The solution should have a reliable and regularly updated means for the DCC to record all transactions that take place using this service.

The solution will require the DCC to provide a list of GUIDs for any transferred Communications Hub stock to a receiving SEC Party, detailing the quantity, make, model and firmware of any Communications Hub stock in the pending transfer.

This solution will be applied to Smart Metering Equipment Technical Specification (SMETS)2 Devices.

2.2 Requirement 1: SEC Parties shall notify DCC when they want to offer Communications Hubs for transfer to and/or from another SEC Party

The Proposed Solution will require the DCC to design a process where any SEC Party can list their existing Communication Hub stock to be transferred. This process should have relevant fields to

account for how many Communications Hub units will be listed for transfer in this way and to specify the firmware, make and model of any such Communications Hub units. This process should ensure that any SEC Party can access these services. This process should ensure that the Communication Hub stock listed is available for all other SEC Parties to view through the preferred platform of the DCC.

Both SEC Parties involved in the transfer of Communications Hub stock will be required to notify the DCC of any arranged transfer taking place. The SEC Party transferring the Communications Hub stock to another SEC Party will need to notify the DCC when the Communication Hub stock leaves their warehouse. The SEC Party receiving the transferred Communication Hub stock will need to notify the DCC when the Communications Hubs arrive and have been accepted at their preferred destination. This will allow for a smooth transfer of liability for the respective Communications Hub units where both SEC Parties involved have acknowledged the delivery and receiving of the transferred Communications Hub stock.

2.3 Requirement 2: DCC shall notify all ordering SEC Parties of available Communications Hubs

The Proposed Solution will require the DCC to design a process where any SEC Party can receive Communication Hub stock that has been listed as available to be transferred on it. This process should have relevant fields to specify the make and model of any such Communications Hub units so that the purchasing SEC Party can filter results by their preference. This process should ensure that any SEC Party can access these services to receive a listed Communications Hub.

2.4 Requirement 3: SEC Parties shall notify DCC of number of Communications Hubs they want to adopt

The Proposed Solution will require the DCC to ensure the process created to establish the transfer of Communications Hub stock will ask the receiving SEC Party how many units they wish to acquire.

2.5 Requirement 4: DCC will keep a record of transactions between SEC Parties, which will be publicly accessible

The Proposed Solution will require the DCC to deliver a method of recording all Communications Hub transfers. Any means of recording the transfers between Suppliers should be available for any Supplier Party to access and where a log of transfers relating to that Supplier can be saved. Any such record of transactions should be regularly updated and have security in place so that unauthorised Users will not be able to access the log.

2.6 Requirement 5: The DCC process created for Communication Hub stock transfers will have a transparent selection model for which Supplier Party can purchase Communications Hub stock

The Proposed Solution will require the DCC to have a clear selection process in place as to how the SEC Parties are able to transfer the Communication Hub stock. Any method the DCC utilises to select which Supplier Parties are able to receive the offered stock, either by auction, a first come first serve basis or other means should be stated and circulated to industry before progressing to Impact

Assessment. This selection should remain consistent and not be subject to change, unless prior notice is given. Any change of process should follow approval from industry before any such change is made.

The DCC will be required to notify the SEC Party (who offered Communications Hubs for transfer) of the SEC Parties who have been selected through the process to receive the offered Communications Hub stock.

When completion of transfer between SEC Parties has taken place, the receiving SEC Party will be required to submit a list of Global Unique Identifiers (GUIDs) that have been received to the DCC. Upon receipt of list of GUIDs, the DCC shall amend ownership of Communications Hubs and amend stock level charging accordingly.

2.7 Requirement 6: The DCC will ensure a disputes process is included in any solution

The Proposed Solution will require the DCC to deliver a clear disputes process into any process created to facilitate the transfer of Communications Hub stock. In the event of a SEC Party who either sends or receives Communications Hub stock and it doesn't fit the description of the quantity, make, model or firmware that is provided in the list of GUIDs a disputes process needs to be available so that a settlement/resolution can be made between the involved SEC Parties. Any disputes process should be clearly visible in the SEC and be easily accessible for a SEC Party to view on the DCC website and/or the Self Service Interface.

3. Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	**Full term**
DCC	Data Communications Company
GUID	Global Unique Identifier
SEC	Smart Energy Code
SMETS	Smart Metering Equipment Technical Specification
SSI	Self Service Interface

SEC Modification Proposal, MP140, DCC CR4176

Communications Hub Stock Transfer

Full Impact Assessment (FIA)

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1 Executive Summary

The Change Board are asked to approve the following for implementation:

- Total cost to implement MP140 of £164,669, which comprises:
    - £111,640 in Design, Build and PIT costs
    - £53,029 in release costs (TTO and Systems Integrator)
- A timescale to complete the implementation of 10 months
- Include MP140 in the November 2022 SEC Release
- In addition to the cost of implementation, a total of £23,381 in Application Support costs for the period from November 2022 to October 2024

Problem Statement

MP140 proposes a process and associated system changes to facilitate transfer of excess Communications Hub stock between Service Users.

Currently there is no process for inter-Service User transfers sanctioned by the SEC and any excess stock that will not be installed can only be returned to DCC, which incurs an Explicit Charge to the Service User.

Benefit Summary

The main beneficiaries of the change are Service Users, who will gain the ability to utilise excess stock from other Service Users to fulfil short term needs and to avoid the Explicit Charges associated with return and redeployment of Communications Hubs.

The Explicit Charges associated with returning a pallet of Communications Hubs (896 units) are in the region of £6,000.

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 2 FTE staff at a cost of approximately £80,000 per annum to be borne by DCC Users. Implementation of this Modification avoids that additional cost.

2 Document History

2.1 Revision History

Revision Date	Revision	Summary of Changes
16/12/2021	1.0	Issued to SECAS

2.2 Associated Documents

This document is associated with the following documents:

#	Title and Originator's Reference	Source	Issue Date
1	MP140 Business Requirements v0.3	SECAS	
2	SECMP0140 CR4176 - PIA - CH Stock Transfer v1.0	DCC	23/03/2021

2.3 Document Information

The Proposer for this Modification is Leigh Hill of DCC.

The Preliminary Impact Assessment was requested of DCC on 27th January 2021. It was completed on 23rd March 2021.

A Full Impact Assessment was requested on 1st July 2021, following which DCC undertook a legal review with CSPN in order to determine the impact on the Communications Hub financing arrangements.

3 Solution Requirements and Overview

In this section, the context of the Modification, assumptions, and the requirements are stated.

The problem statement and requirements have been provided by SECAS and the Proposer.

3.1 Problem Statement

Currently Parties must confirm their Communications Hub orders in advance and some Parties are building up excess stock, some of which would likely be returned to the DCC.

The DCC want to explore ways in which Parties could transfer Communications Hub stock directly with one another.

This would eliminate an unnecessary returns process to transport the Communications Hub units to the DCC who would then later send it out to whichever Parties are still placing Communications Hub orders.

3.2 Business Requirements

The requirements for this modification have been developed by the Working Group during the Refinement phase. The impact on DCC has been assessed against the Business Requirements.

<u>Business Requirement 1</u>

SEC Parties shall notify DCC when they want to offer Communications Hubs for transfer to and/or from another SEC Party.

The Proposed Solution will require the DCC to design a process where any SEC Party can list their existing Communication Hub stock to be transferred. This process should have relevant fields to account for how many Communications Hub units will be listed for transfer in this way and to specify the firmware, make and model of any such Communications Hub units. This process should ensure that any SEC Party can access these services. This process should ensure that the Communication Hub stock listed is available for all other SEC Parties to view through the preferred platform of the DCC.

Both SEC Parties involved in the transfer of Communications Hub stock will be required to notify the DCC of any arranged transfer taking place. The SEC Party transferring the Communications Hub stock to another SEC Party will need to notify the DCC when the Communication Hub stock leaves their warehouse. The SEC Party receiving the transferred Communication Hub stock will need to notify the DCC when the Communications Hubs arrive and have been accepted at their preferred destination. This will allow for a smooth transfer of liability for the respective Communications Hub units where both SEC Parties involved have acknowledged the delivery and receiving of the transferred Communications Hub stock.

<u>Business Requirement 2</u>

DCC shall notify all ordering SEC Parties of available Communications Hubs.

The Proposed Solution will require the DCC to design a process where any SEC Party can receive Communication Hub stock that has been listed as available to be transferred on it. This process should have relevant fields to specify the make and model of any such Communications Hub units so that the purchasing SEC Party can filter results by their preference. This process should ensure that any SEC Party can access these services to receive a listed Communications Hub.

Business Requirement 3

SEC Parties shall notify DCC of number of Communications Hubs they want to adopt.

The Proposed Solution will require the DCC to ensure the process created to establish the transfer of Communications Hub stock will ask the receiving SEC Party how many units they wish to acquire.

Business Requirement 4

DCC will keep a record of transactions between SEC Parties, which will be publicly accessible.

The Proposed Solution will require the DCC to deliver a method of recording all Communications Hub transfers. Any means of recording the transfers between Suppliers should be available for any Supplier Party to access and where a log of transfers relating to that Supplier can be saved. Any such record of transactions should be regularly updated and have security in place so that unauthorised Users will not be able to access the log.

Business Requirement 5

The DCC process created for Communication Hub stock transfers will have a transparent selection model for which Supplier Party can purchase Communications Hub stock.

The Proposed Solution will require the DCC to have a clear selection process in place as to how the SEC Parties are able to transfer the Communication Hub stock. Any method the DCC utilises to select which Supplier Parties are able to receive the offered stock, either by auction, a first come first serve basis or other means should be stated and circulated to industry before progressing to Impact Assessment. This selection should remain consistent and not be subject to change, unless prior notice is given. Any change of process should follow approval from industry before any such change is made.

The DCC will be required to notify the SEC Party (who offered Communications Hubs for transfer) of the SEC Parties who have been selected through the process to receive the offered Communications Hub stock.

When completion of transfer between SEC Parties has taken place, the receiving SEC Party will be required to submit a list of Global Unique Identifiers (GUIDs) that have been received to the DCC. Upon receipt of list of GUIDs, the DCC shall amend ownership of Communications Hubs and amend stock level charging accordingly.

Business Requirement 6

The DCC will ensure a disputes process is included in any solution.

The Proposed Solution will require the DCC to deliver a clear disputes process into any process created to facilitate the transfer of Communications Hub stock. In the event of a SEC Party who either sends or receives Communications Hub stock and it doesn't fit the description of the quantity, make, model or firmware that is provided in the list of GUIDs a disputes process needs to be available so that a settlement/resolution can be made between the involved SEC Parties. Any disputes process should be clearly visible in the SEC and be easily accessible for a SEC Party to view on the DCC website and/or the Self Service Interface.

4 Benefits

The Benefits associated with various Parties are noted following.

Organisation	Benefit
DCC	Support Service User requests to transfer Communications Hubs (CH) whilst maintaining accurate billing to each User for stock held, leveraging existing billing system interfaces and automation. Clear accountability for CH stock transferred between Service Users.
Service Providers	None
Service Users	Access to CH stock for immediate requirements without the usual lead times. Avoid Explicit Charges associated with returning excess CH stock to the DCC by instead offering stock for transfer – these charges are in the region of £6,000 per pallet of 896 Communications Hubs. In 2021, DCC has facilitated the transfer of over 100,000 Communications Hubs due to Supplier of Last Resort events and urgent stock requirements from Suppliers.. Reduction in aggregate charges for CH stock by optimising inventory levels among Service Users. Clear accountability for CH stock transferred between Service Users. Avoid the cost of administering an enduring manual process to transfer stock and reconcile billing – DCC estimates that this would require 2 FTEs at a cost of approximately £80,000 per annum.

Table 1 – Benefits

5 Impacted Domains

The impacted domains have been identified as follows:

Domain	Impact Summary
CSP North	Incident Management (no system changes) Logistics/ Asset Management (no system changes) Legal & Commercial
CSP South and Central	Incident Management (no system changes)

Domain	Impact Summary
	Logistics/ Asset Management (no system changes)
DSP	Smart Metering Inventory Self Service Management Interface
DCC	Logistics Legal & Commercial
Service Users	Logistics/ Asset Management

Table 2 – Impacted Domains

The impacts on CSP North and CSP South and Central do not require system changes and therefore the CSP costs to implement this Modification are nil. A legal review was carried out with CSP North to establish whether there is an impact on the Communications Hub financing arrangements as a result of the implementation of the preferred solution option. No impact was identified.

6 Solution Overview

This section describes the overall solution and the impact of MP140 on DCC's Services and Interfaces that impact Users and/or Parties.

Changes to the DSP are required for this Modification solution.

6.1 Description of Solution

The preferred technical solution to support the transfer Communications Hubs stock between Service Users, for which a Full Impact Assessment was requested by SECAS, is that the SEC Party ID of the new recipient of the transferred Communications Hubs is updated in DSP systems (Smart Metering Inventory), only and CSP systems are not updated.

DCC will implement a process to manage requests for and offers of Communications Hubs from SEC Parties:

- Communication between 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 Hub stock will be made available on the DCC customer SharePoint;
- DCC will document and 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 between transferring and receiving SEC Parties.

Charges for the transferred Communications Hubs will be billed to the new SEC Party, as DCC finance processes rely on the data held in the Smart Metering Inventory (SMI).

6.2 Overview

The solution for this MP140 entails the following:

- After the Comms Hub transfer between two Service Users has been completed, DCC Logistics will share the details of the transfer with DSP using a file named 'CH Stock Transfer File'. To support this, a new file upload interface will be provided within SSMI for the purpose of CH stock transfer notification. This interface and the subsequent processing will be built in accordance with the existing processing patterns for file upload. The file will contain the list of Comms Hub IDs and the new Service User Reference. The format of the file will be finalised in consultation with DCC during the design phase.
- DSP will process the received file and update the Comms Hub Logistics records in the Smart Metering Inventory (SMI) with the new Service User ID for the list of Comms Hubs. Only Comms Hubs with an SMI status of 'Pending' will be eligible for transfer and this will be enforced by way of validation checks within SSMI.
- The CH stock transfer data is updated only within DSP. The CSPs will not be updated since there is currently no mechanism to notify them when an update of this nature is made to the Comms Hub records.
- The updated Comms Hubs records will be available in the next scheduled delivery of Communications Hub Delivery Report (ESI-013). DCC will use this for charging the new Service User.

6.3 Self Service Management Interface (SSMI)

SSMI will be updated to provide an interface to upload the 'CH Stock Transfer' file for DSP's processing. The file upload mechanism will follow the standard workflow controls and behaviour used within SSMI.

6.4 Enterprise Systems Interface (ESI)

No changes are needed to the ESI report. The updated data will be available in the reports generated after the updates to the Smart Metering Inventory.

6.5 Data Management

Data Management will be updated to process the CH Stock Transfer file contents received from SSMI and to update the Inventory with the same.

Data Management will implement the validation check to accept the updates only for the Comms Hubs with an SMI status of 'Pending'.

6.6 Security Impact

The DSP Security Assurance team has reviewed this change. There is no material impact on the DSP security implementation. The solution proposed is making use of pre-set patterns which are security assured. The Security Assurance team will provide general security oversight of the implementation throughout its implementation in accordance with DSP's contractual requirements:

- Provide design time guidance through the review of design documentation to maintain alignment with contractual requirements and minimise security risks;
- Review test artefacts and outcomes where there is a potential security consideration;
- Attend meetings where required by the implementation teams.
- Liaise with DCC as necessary on any security related concerns.

6.7 Technical Specifications and Documentation

There are no changes to any of the Technical Specifications.

Draft legal text for amendments to Section F and Appendix H is included with this Full Impact Assessment.

6.8 Infrastructure Components

There is no impact to infrastructure as part of this Modification.

6.9 Application Support

The DSP Application Management Support team is responsible for the provision of application-level support for the DCC Data System application. This change provides additional functionality that will be subject to ongoing support.

There will be a small impact to service as a result of the additional functionality being added to SSMI in order for the CH Stock transfer file to be uploaded. Specifically, interfaces and processing will be impacted, along with providing investigation and resolution into any issues raised relating to the uploading or processing of the transfer file.

As a result, DSP has made a conservative estimate that the change will result in up to two low complexity calls per month that need to be assimilated, investigated, resolved and then monitored. Operational Support will commence from November 2022 and is expected to be enduring until 31st October 2024, when the current contract ends.

The team will need to be prepared to support the change from the day it goes into live operation. As such, the team must review the functional solution and its technical implementation. The team must understand any configurable options and develop procedures to enable its support. This information must be absorbed across the team.

6.10 Impact on DCC

Design, build and test the tools and templates to support administration of the process by which:

- Service Users will make requests for and offers of Communications Hubs for transfer;
- Service Users will view available Communications Hub stock and transaction records for transferred stock;

Document the selection criteria for allocating Communications Hubs to requesting SEC Parties and the dispute resolution process.

6.11 Impact on Service Users

There is no impact on User Systems as a result of this change, save to the extent that Service Users wishing to offer or request Communications Hub stock will be required to:

- Interact with DCC via email and the DCC customer SharePoint;
- Provide or receive lists of Communications Hubs for transfer in a format specified by DCC; and
- Interact with other Service Users as transferring or receiving party as part of a Communications Hub stock transfer transaction

as set out in the draft amendments to Section F and Appendix H.

6.12 Service Impact

No changes to SLAs or reporting are expected as a result of this change.

7 Testing Considerations

This Full Impact Assessment includes the cost to develop, fully test and deliver this SEC Modification.

7.1 Pre-Integration Testing

During Pre-Integration Testing (PIT), each Service Provider tests its own solution to agreed standards in isolation of other Service Providers.

The DSP PIT team will design and implement the functional updates required to the DSP for the change.

The design, implementation, Early Automated System Testing (EAST), System Testing, Performance Testing and Factory Acceptance Testing (FAT) phases will operate as a single phase of activity with a single drop into DSP's SIT-B environment.

FAT will consist of a defined subset of EAST tests being observed by DCC within the final one week of testing. The Schedule 6.2 exit criteria and defect mask will apply for the Pre-Integration Process.

7.2 System Integration Testing (SIT)

MP140 has no DSP SIT impact, as no Service Provider integration activity is required.

7.3 User Integration Testing (UIT)

MP140 has no DSP UIT impact, as no Service Provider integration activity is required.

8 Implementation Timescales and Releases

This Modification is expected to be included in a SEC Release in November 2022. Implementation timescales will be finalised as part of the relevant SEC Release Change Request.

8.1 Change Lead Times and Timelines

From the date of approval (in accordance with Section D9 of the SEC), to implement the changes proposed DCC requires a lead time of approximately **five months**.

The broad breakdown of the testing regime is shown in the following table in months after an approval decision date (D).

Phase	Duration
SECAS agreement on scope of release	
CAN signature	D + 1 Month
Design, Build and PIT Phase	4 Months
SIT and UIT Phase, aligned with Release Dates	N/A – however the Release timescales must be respected
Transition to Operations and Go Live	D + 5 Months

8.2 SEC Release Allocation and Other Code Impacts

This Modification is expected to be implemented as part of the November 2022 SEC Release, however the allocation to a release may be dependent on other Modification timings and the suitability of a release. No functionality overlap with other Modifications has been identified at the time of undertaking this Impact Assessment.

8.3 Costs and Charges

This section indicates the quote for all phases of application development stage for this Modification. Note these costs assume a release of just this SEC Modification without any other Modifications or Change Requests in the release, which is not truly reflective of what the post-PIT test costs or programme duration will look like. A calculation of those costs will be carried out when the contents of the future Release are finalised, and the post-PIT costs determined through a "Grouping CR" also referred to as a "Release CR".

	Design, Build, and PIT	Integration Testing, SIT and UIT	TTO	Total
MP140	£111,640	£50,000 (Systems Integrator Release costs)	£3,029	**£164,669**

Design	The production of detailed System and Service designs to deliver all new requirements.
Build	The development of the designed Systems and Services to create a solution (e.g. code, systems, or products) that can be tested and implemented.
Pre-Integration Testing (PIT)	Each Service Provider tests its own solution to agreed standards in isolation of other Service Providers. This is assured by DCC.
Systems Integration Testing (SIT)	All the Service Provider's PIT-complete solutions are brought together and tested as an integrated solution, ensuring all SP solutions align and operate as an end-to-end solution.
User Integration Testing (UIT)	Users are provided with an opportunity to run a range of pre-specified tests in relation to the relevant change.
Implementation to Live (TTO)	The solution is implemented into production environments and made ready for use by Users as part of a live service.

8.3.1 Application Support Costs

Application Support costs have been calculated for the period commencing November 2022 and ending October 2024, including a period of Early Life Support in the two months following implementation of the Release.

	Application Support
MP140	£23,381

8.3.2 Changes to the DSP Contract

The contract updates will be detailed within the CAN and will impact the following schedules:

- DCC Obligations will require new obligations for the DCC to achieve the deliverables under this Modification;
- Schedule 4.1: Solution Design documents will need to be updated;
- Schedule 6.1 - to reflect delivery milestones;
- Schedule 7.1: Define payments associated with Sch 6.1 milestones.

8.3.3 Changes to the CSPN and CSPC&S Contracts

Although there is no impact on either CSP as part of delivery of this Modification, a contract update is for each of the CSP Agreements is proposed to add, as a DCC Responsibility, a requirement for DCC to provide the location of any transferred Communications Hubs on request.

Appendix A: Glossary

The table below provides definitions of the terms used in this document.

Acronym	Definition
CR	DCC Change Request
DCC	Data Communications Company
DSP	Data Service Provider
EAST	Early Automated System Testing
FIA	Full Impact Assessment
HAN	Home Area Network
I&C	Installation and Commissioning
PIA	Preliminary Impact Assessment
PIT	Pre-Integration Testing
ROM	Rough Order of Magnitude (cost)
RSA	Registered Supplier Agent
SAT	Service Audit Trail
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SIT	Systems Integration Testing
SMETS	Smart Metering Equipment Technical Specification
SMI	Smart Metering Inventory
SRV	Service Request Variant
SSI	Self Service Interface
UIT	User Integration Testing

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MP140 'CH Stock Transfer'

Annex D

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	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. Also, the flow chart on page 5 does not detail any ASN requirements, the gaining supplier will expecting 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.	
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,	

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 – *Facilitate the efficient provision, installation and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain* – 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	The total rental costs saved amongst the suppliers should eventually outweigh the cost of implementing. 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.	
EON	Large Supplier	No	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. Otherwise, it has the possibility of Suppliers purchasing assets that are no use to them.	
Drax Group	Small Supplier	See below.	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.	

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	Having piloted this process it seems like a very good alternate approach to sourcing comms hubs. 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.	
EON	Large Supplier	No	The Modification Report and the DCC PIA seems to have the implementation dates the wrong way round. 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. This needs rectifying.	
Drax Group	Small Supplier	No	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.	

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	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. 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.	
EON	Large Supplier	None	
Drax Group	Small Supplier	No further comments.	
OVO	Large Supplier	None	
Western Power Distribution	Electricity Network Party	None	