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MP200

'Faster Switching consequential changes to the SEC'

Modification Report

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About this document

This document is an Authority-Led Modification Report for an Authority-Led Variation submitted by the Authority in accordance with SEC Section D9A.4. It sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions.

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This document also has one annex:

Annex A contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

Contact

If you have any questions on this modification, please contact:

Bradley Baker

020 7770 6597

bradley.baker@gemserv.com

1. Summary

This is an Authority-Led Variation raised as part of Ofgem's Faster Switching Programme. This proposal has been raised by the Authority in accordance with SEC Section D 'Modification Process' 9A In order to deliver the programme, consequential amendments need to be made to the Smart Energy Code (SEC) to:

reflect updated cross-references to the Retail Energy Code (REC); and

This Modification Proposal will have a minor, if any, impact on SEC Parties and the Data Communications Company (DCC). The DCC Systems will remain unaffected.

The costs of this proposal are limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort to update the SEC. If approved, this modification will be implemented as part of the June 2022 SEC Release.

2. Issue

What are the current arrangements?

Currently, Network Parties are obligated to ensure their Registered Data Providers (RDPs) provide registration data to the Data Service Provider (DSP). Going forward RDPs will no longer have to send registration data to the DCC as the Centralised Switching Service (CSS) will pick up that function.

The CSS obligations will mirror those currently held by RDPs to send data and will meet the same security obligations. Therefore, SEC Parties should not see any difference.

In addition to receiving data from RDPs, the DCC currently sends RDPs information about smart meters on their networks. This "outbound" interface from DCC to RDPs will still exist going forward and no obligations are changing in this space.

What is the issue?

Several SEC Sections and Appendices must be amended in order to facilitate the go-live of the CSS. These changes are deemed as consequential changes that will have a minor, if any, impact on SEC Parties.

Meta Data Owner

The SEC has been made Meta Data Owner for two Energy Market Data Items:

SEC as Meta Data Owner	
Data item	Description
DI51130	DCC Service Flag - A DCC provided flag to indicate the status of the services being provided by the DCC to a Metering Point.
DI51131	Effective from Date {DCCF} - The first inclusive calendar date for which the status of the DCC Service flag applies.

SECAS will work with the REC Code Manager to ensure that any changes to these two Data Items are progressed in line with the REC Change Management Process and that the Panel are kept up to date with any amendments.

What is the impact this is having?

Without the identified consequential changes being incorporated into the SEC, the potential of Ofgem's Faster Switching Programme will not be realised.

Impact on consumers

Without the necessary consequential changes to the SEC, consumers will not be able to benefit from Ofgem's Faster Switching Programme.

3. Solution

Proposed Solution

In order to successfully deliver the Faster Switching Programme, consequential changes must be made to the SEC. The detailed amendments have been provided by the DCC and can be found in Annex A.

The current obligations for Network Parties to ensure RDPs send registration data to the DSP will be removed. These will be replaced with obligations on the DCC in its role as the Centralised Registration Service (CRS) to ensure the CSS sends the required registration data to the DSP. Suppliers and Other SEC Parties remain unaffected by any SEC consequential changes.

In addition to clarifying obligations on the CRS, changes will also be required to the SEC Appendices that detail the new interface between the DSP and CSS systems. The DSP and the CSS systems Service Provider are currently discussing the detailed design for these interfaces.

To ensure that there were no unintended consequences, the Proposed Solution was presented to both the Security Sub-Committee (SSC) and the Technical Architecture and Business Architecture Sub-Committee (TABASC) in late June/early July 2021. The proposed changes were subsequently presented to the Panel to confirm they are ready for inclusion in the upcoming Ofgem Significant Code Review.

Furthermore, Ofgem issued a consultation to the wider industry to understand their opinions of the Proposed solution and the legal text. There were no responses to the consultation.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

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

From a SEC Party perspective, the main impact will be on Network Parties. The current obligations for Network Parties to ensure RDPs send registration data to the DSP will be removed. These will be replaced with obligations on the DCC in its role as the CRS to ensure the CSS sends the required registration data to the DSP. Suppliers and Other SEC Parties remain unaffected by any SEC consequential changes.

DCC System

This modification will have no impact on DCC Systems.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

Section A 'Definitions'

Section E 'Registration Data'

Section G 'Security'

Section H 'DCC Services'

Section K 'Charging Methodology'

Section L 'Smart Metering Key Infrastructure and DCC Key Infrastructure'

Section P 'Production Proving'

Appendix X 'Registration Data Interface Specification'

Appendix Y 'CPL Requirements Document'

Appendix AG 'Incident Management Policy'

Appendix AL 'SMETS1 Transition and Migration Approach Document'

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

Consumers

The implementation of this modification will ensure that the SEC reflects the necessary changes needed to facilitate Ofgem's Faster Switching Programme. This will result in positive impacts to consumers who will be able to change their energy Supplier in a timelier manner which could result in financial benefits.

Other industry Codes

This modification will have no impact on other industry Codes.

Greenhouse gas emissions

This modification will have no impact on greenhouse gas emissions.

5. Costs

DCC costs

Any DCC costs will be incurred under the switching programme, which is monitored as part of Price Control.

SECAS costs

The estimated SECAS implementation costs to implement this modification is two days of effort, amounting to approximately £1,200. This cost will be reduced when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

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

SEC Party costs

This modification will not incur any SEC Party costs.

6. Implementation approach

Approved implementation approach

The Change Sub-Committee (CSC) has agreed an implementation date of:

- **CSS Go-live Date.**

If Ofgem decides to approve this proposal then Ofgem would require implementation of the modification in time for the CSS Go-Live Date (as defined by the REC), which is currently expected to be 18 July 2022, assuming that all affected Codes are able to progress their modifications within the same timeframe. The Authority shall designate the CSS Go-Live Date (as defined in the REC) in due course.

7. Assessment of the proposal

Views against the General SEC Objectives

Proposer's views

The Proposer believes that the modification will better facilitate SEC Objectives (a)¹, (d)² and (g)³. This is due to the Proposed Solution allowing for the efficient provision and operation of smart metering systems at energy consumers' premises. It will also provide effective competition between persons engaged in, or in commercial activities connected with the supply of energy. Furthermore, the consequential changes will ensure the efficient and transparent administration and implementation of the SEC is delivered.

Views against the consumer areas

Improved safety and reliability

The implementation of this modification will have a neutral impact on safety and reliability.

Lower bills than would otherwise be the case

The implementation of this modification will facilitate consumers' ability to switch energy Suppliers in a timelier manner which may lead to lower bills for that consumer.

Reduced environmental damage

The implementation of this modification will have a neutral impact on reducing environmental damage.

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

² Facilitate effective competition between persons engaged in, or in commercial activities connected with, the supply of energy.

³ Facilitate the efficient and transparent administration and implementation of the SEC.

Improved quality of service

The implementation of this modification may have a positive impact on improved quality of service to consumers as they will be able to switch energy Suppliers in a timelier manner than what is currently experienced.

Benefits for society as a whole

The implementation of this modification will have a positive impact on society as a whole as the consequential changes will ensure that Ofgem's Faster Switching Programme allows customers to change to an energy Supplier that meets their requirements in a timelier manner.

Appendix 1: Progression timetable

This is an Authority-Led Variation and will therefore follow the expedited process set out in SEC Section D9A. SECAS and the Authority have been coordinating and have agreed the following planned timetable.

As an Authority-led Variation, this modification has been presented to the CSC, under delegated authority from the Panel. SECAS, at the Authority's request, will now issue a 28 calendar day industry consultation. SECAS will then present the Modification Report and the consultation responses at the next available Change Board meeting. The Change Board's recommendation will then be passed onto the Authority who will make the final decision. If approved, the modification will be implemented on the CSS Go-Live Date.

Timetable	
Event/Action	Date
Authority-Led Variation raised	8 Feb 2022
Authority-Led Modification Report presented to the CSC	15 Feb 2022
Industry Consultation (28 calendar days)	16 Feb – 16 Mar 2022
Change Board Vote	23 Mar 2022
Authority decision (anticipated date)	End Apr 2022
Modification Implemented (if approved)	CSS Go-Live Date ⁴

Appendix 2: Glossary

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

Glossary	
Acronym	Full term
BSC	Balancing and Settlement Code

⁴ As defined in the REC

Glossary	
Acronym	Full term
BSCCo	Balancing and Settlement Code Company
CCSG	Cross-Code Steering Group
CRS	Centralised Registration Service
CSC	Change Sub-Committee
CSS	Centralised Switching Service
DCC	Data Communications Company
DSP	Data Service Provider
RCC	Retail Code Consolidation
REC	Retail Energy Code
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMIP	Smart Metering Implementation Programme
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee