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MP134B ‘Use of SMKI Certificates relating to a SoLR event – Part 2’ Refinement Consultation responses

About this document

This document contains the full collated responses received to the MP134B Refinement Consultation.

Question 1: Do you agree that the solution put forward will effectively resolve the identified issue?

Question 1				
Respondent	Category	Response	Rationale	SECAS response
Western Power Distribution	Network Party	Yes	-	
British Gas	Large Supplier	No	The solution put in place under MP134A is working fine.	
Utilita Energy Limited	Large Supplier	No	<p>We are concerned that implementing this modification could lead to financial detriment to prepayment customers - sending Service Request 1.6 (Change of Mode) could remove customers' credit (and debt) balances from their meter – e.g. specific SMETS1 meters (S1SR clause 18.4 (a)). We note that the SoLR Guidance¹ issued by SECAS recommends to avoid sending Service Request 1.6 for this exact reason – “Ideally, avoid sending the following SRs (to avoid deleting credit balances and having a potentially detrimental financial impact on consumers): SR1.6 (Change of Mode)”</p> <p>The earliest this modification could be delivered is June 2023, that date is after the implementation of Faster Switching. We question how much impact current switching timeframes have on the business case. Moving forward with this modification seems unnecessary, given that Faster Switching implementation reduces the time which customers are at risk. Utilita has additional concerns which were already provided in</p>	<p>During Working Group discussions Suppliers highlighted that SRV1.6 was not the preferred Service Request as it would most likely confused PPM Consumers and led to additional calls, however during discussions at the Business Requirements Workshop with DSP it was agreed that the SRPs in the User Role would not be able to set an open ended non-dsicsconnect calendar as they would not have authorisation to set the Anomaly Detection Attributes (ADAs). For this reason it was agreed</p>

¹ [Document Download Centre » \(smartenergycodecompany.co.uk\)](https://www.smartenergycodecompany.co.uk/) – Section 3 'Checklist for the Failing Supplier (or their SRPs)'

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Question 1				
Respondent	Category	Response	Rationale	SECAS response
			our responses the MP134A consultation: Shared Resource Providers (SRP) have no enforceable regulation which requires them to provide care and protections to the Energy Consumer, compared to those obligations of a Responsible Supplier (set out in the supplier licence). Without these obligations, it is not clear what protections are provided to customers and what liability the SRPs may have.	that SRV1.6 was the only practical SR to use in this situation. In response to the lack of consumer obligations on the SRP, it should be noted that this is simply a short-term solution to 'put consumers into a safe mode' so they do not lose supply. The SRPS are not required to 'service' consumers.
OVO Energy	Large Supplier	No	DCC are yet to provide a Full Impact Assessment (FIA) on the estimated costs to implement the system changes to support MP134B but it is considerable more than the text-only change that MP134A has already delivered.	
ESG Global Limited	Other SEC Party	No	ESG don't agree with the identified issue and as a result don't support the associated solution. Please see answer below for further details.	
Shell Energy	Large Supplier	No	This is not an effective solution. Under the proposed solution, the creation of a new DCC User Role for SRPs to qualify under would present significant challenges to our SRP including system changes, time and resource to qualify in the new user role and without any incentive to do so. Currently, the proposed solution suggests sending SR1.6 (Update Payment Mode) to switch prepayment customers into credit mode should the supplier fail. This has its own implications and is not what	Please see the answer above

Question 1				
Respondent	Category	Response	Rationale	SECAS response
			<p>was discussed in the working group for MP134A around the best solution to ensure prepayment customers are unaffected by a SoLR event.</p> <p>The original proposed solution, accepted by many, was to send SR2.1 (Update Prepay Configuration) to devices to set a 24/7 non-disablement calendar to prevent the consumer going off supply due to lack of credit.</p> <p>This ensures the consumer stays in prepayment mode (as they are used to) and does not cause confusion by suddenly being switched into credit mode without their knowledge, preventing contact into the appointed SoLR or attempting to contact the failed supplier and being unable to.</p> <p>In some meters or due to Supplier orchestration, SR1.6 may also reset the meter balance, further adding to consumer's confusion at a time when they're already concerned due to their original energy supplier failing.</p>	
E.ON	Large Supplier	No	<p>The solution doesn't appear to impose an obligation on any Shared Resource Provider or Supplier to register for the new role of 'SolrContingency'. Without any such obligation, then it's possible that the solution will be unused, or partially used at significant cost.</p> <p>Whilst E.ON agrees that the proposed solution addresses the issue of PAYG customers losing supply in the event of a Supplier's disorderly exit from the market, it is unclear why it has been decided the SR1.6 to change the mode to credit is the most appropriate root to resolve the problem. The solution enabled under MP134A allowed for the customer</p>	Please see the answer above

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Question 1				
Respondent	Category	Response	Rationale	SECAS response
			to remain in PAYG mode but with a revised non-disconnection calendar, which ensures that usage during the SoLR period is properly accounted for in terms of PAYG meter and debt balances. Changing the mode also introduces a lot more complexity for the new Supplier in terms of reverting to PAYG mode when the COS is completed.	

Question 2: Do you agree with the proposed implementation approach?

Question 2			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	-	Whilst we understand the proposed implementation and the fact that the DCC have said it cannot be included within November 2023, we are concerned with potentially delaying this modification to November 2024, if it is going to provide a benefit and protect consumers. If it is able to be delayed until then we question the potential need for this modification with the associated costs.
British Gas	Large Supplier	No	The solution put in place under MP134A is working fine. The customers and meters remain the responsibility of the Supplier. We do not agree that this needs a new DCC User Role.
Utilita Energy Limited	Large Supplier	No	This modification goes live after Faster Switching go-live, therefore significantly reducing any benefit associated with this modification.
OVO Energy	Large Supplier	No	However, we have concerns with the proposed solution that reflect the concerns of ESG.
ESG Global Limited	Other SEC Party	No	As per question 5.
Shell Energy	Large Supplier	No	Implementation can not be justified and timetable clashes with industry programme changes such as Alt HAN and MHHS.
E.ON	Large Supplier	No	In its current form E.ON does not believe that approval can be achieved by 29 June 2023.

Question 3: Will there be any impact on your organisation to implement MP134B?

Question 3			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	No	-
British Gas	Large Supplier	Yes	There would be considerable impact, both on us and more specifically the organisations fulfilling the Shared Resource Provider role.
Utilita Energy Limited	Large Supplier	Yes	This solution is likely to result in the need for further debt management processes to be in place for the affected Energy Consumers; and may drive Energy Consumer contact during the SoLR process
OVO Energy	Large Supplier	Yes	Although we will not be impacted directly, we will have to pay the costs which ESG will have to recover as a result of the changes that they need to make as part of this modification. This will apply to all of their customers. We believe that everything that has been implemented as part of MP134A is sufficient..
ESG Global Limited	Other SEC Party	Yes	ESG will need to qualify and maintain qualification of the new DCC User Role, we will need to make product changes to deliver the unique requirements detailed in the modification, we will need to create and maintain new system environment(s) for both test and production in the event of a request to send SRV1.6 or any other SRV configured in future. We will need to extend operational, application support and security procedures to support the modification.

Question 3			
Respondent	Category	Response	Rationale
Shell Energy	Large Supplier	Yes	<p>The SRP will incur significant costs associated with:</p> <ul style="list-style-type: none"> • changes needed in the Adapter and Orchestration components to send SRV1.6 in the new DCC User Role • Creation and maintenance of environment(s) only to be used in this specific scenario • DCC User Qualification effort • Creation of new operational procedures to support SECMP134B <p>Project costs to implement the solution</p>
E.ON	Large Supplier	Yes	<p>If the change is implemented the following will be required as a minimum:</p> <ul style="list-style-type: none"> - Adaptor upgrade - UIT testing to assure the new functionality - Registration (either by Supplier or SRP) in new 'SoLRContingency' role - MI to identify accounts that have had mode change to Credit - Exception handling processes where mode change is unsuccessful <p>A full impact assessment would require input from 3rd party service providers so E.ON cannot provide a complete impact assessment at this stage</p>

Question 4: Will your organisation incur any costs in implementing MP134B?

Question 4			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	No costs	-
British Gas	Large Supplier	N/A	N/A. This would need a full Impact Assessment.
Utilita Energy Limited	Large Supplier	Yes	As per response Q3.
OVO Energy	Large Supplier	Yes	Please see ESG response in relation to costs. These costs will inevitably need to be absorbed by their customers.
ESG Global Limited	Other SEC Party	£100k-£250k	As per our answer to question 4 ESG will incur one off and ongoing project costs to qualify and maintain qualification, product changes to accommodate the specific requirements in SECMP134B, costs to implement and maintain system environment(s) along with the associated operational, security and application support costs. The cost in the response is for initial set up and a period of maintenance, overall costs can only be obtained once we have agreed length of contract and obviously, we would impact assess any incurred costs as and when new SRV's are added by OFGEM/DCC using the DCC configuration as specified in the MOD report.
Shell Energy	Large Supplier	-	DCC are yet to provide a Full Impact Assessment (FIA) on the estimated costs to implement the system changes to support MP134B but it is considerably more than the text-only change that MP134A has already delivered. This would be shared between all Suppliers as part of Modification charging. Our service provider will gain no benefit as an SRP in the new DCC User Role therefore they will need to consider how their costs are recovered, which we expect will be passed to us. It's also unclear

Question 4			
Respondent	Category	Response	Rationale
			whether SRPs will be mandated in the SEC to qualify in the new DCC User Role, which would also incur additional costs.
E.ON	Large Supplier	Yes	Costs unknown at this stage – assessment of full solution will require input from 3 rd party service providers.

Question 5: How long from the point of approval would your organisation need to implement MP134B?

Question 5			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	N/A	-
British Gas	Large Supplier	N/A	N/A – would need full Impact Assessment. The lead time for Shared Resource Provider entities also need to be considered. Realistically, however, based on the DCC lead time alone, both June 2023 and November 2024 are much too late for a modification that is linked to SoLRs.
Utilita Energy Limited	Large Supplier	N/A	Faster Switching will be implemented before this modification goes live. We do not believe this modification should progress as a result.
OVO Energy	Large Supplier	N/A	Changes needed to deliver this area via ESG
ESG Global Limited	Other SEC Party	If we decide to offer a service or if ESG are mandated in the SEC to provide a service for MP134B it	The lead time allows for project initiation (this is unplanned activity for ESG), product changes and release, environment set-up, DCC User Qualification and discussions with industry bodies regarding contracts and cost reimbursement.

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Question 5			
Respondent	Category	Response	Rationale
		would be approx.18-24 months.	
Shell Energy	Large Supplier	Don't know	SRP is not supportive of the change, so we have no information from them.
E.ON	Large Supplier	6-12 months	High level estimate at this point.

Question 6: Do you believe that MP134B would better facilitate the General SEC Objectives?

Question 6			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	Yes	We believe this Modification will better facilitate the General SEC Objectives (a) by ensuring that consumers, particularly prepayment consumers, do not lose supply in the event of a disorderly exit of a Supplier from the market and the necessary appointment of a SoLR, and SEC Objective (b) by ensuring the obligations on the DCC are fulfilled with the highest possible security level.
British Gas	Large Supplier	No	<p>We disagree with the Proposer's views that the modification would better facilitate SEC Objectives (a) and (b).</p> <p>The benefits to SEC Objective (a) of ensuring that consumers, particularly prepayment consumers, do not lose supply in the event of a disorderly exit of a Supplier from the market and the necessary appointment of a SoLR, have already been met by MP134A.</p> <p>We do not agree with the SEC Objective (b) ie ensuring the obligations on the DCC are fulfilled with the highest possible security level are relevant here. Managing the newly acquired prepayment customers and their meters to ensure uninterrupted supply is th responsibility of the incoming Supplier, not the DCC.</p>
Utilita Energy Limited	Large Supplier	No	While the overarching aim of this Modification is to better facilitate SEC Objectives so that Prepayment Energy Consumers remain operational, the solution could lead to financial detriment to energy consumers.
OVO Energy	Large Supplier	No	We believe that the changes covered in MP134A covered the objectives.
ESG Global Limited	Other SEC Party	No	ESG don't believe there is any additional benefit to the SEC Objectives than that which has already been facilitated in MP134A.

Question 6			
Respondent	Category	Response	Rationale
Shell Energy	Large Supplier	No	We remain fully supportive of SECMP134A. Our SRP has operational procedures ready if, in the future, OFGEM request that the SRP make prepayment devices safe. SECMP134B adds unnecessary complexity and cost to both DCC and SRP which all Suppliers will have to bear the cost of for limited benefit over what MP134A already provides.
E.ON	Large Supplier	No	Without any obligation on Suppliers or SRPs to register in the 'SoLRContingency' role and act using the functionality proposed by this change, there is no guarantee that this modification will facilitate any SEC objectives.

Question 7: Do you believe there will be any impacts on or benefits to consumers if MP134B is implemented?

Question 7			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	Yes	We believe that consumers could benefit from this modification because prepayment consumers could lose supply and have no means to regain it until the SoLR has been appointed and the new Supplier has performed the CoS process (at which point the new Supplier's SMKI Certificates are placed on the Device).
British Gas	Large Supplier	No	We believe that the benefits to consumers (of prepaid customers not losing supply during a SoLR event) have already been met by MP134A. The extra costs associated with MP134B will eventually make their way onto consumer bills. This means the only consumer impact would be negative, with no associated benefit.
Utilita Energy Limited	Large Supplier	Yes	Impacts as per response to Q1: reduced energy customer protection and potential financial detriment.
OVO Energy	Large Supplier	No	Currently, the proposed solution suggests sending SR1.6 (Update Payment Mode) to switch prepayment customers into credit mode should the supplier fail. This has its own implications and is not what was discussed in the working group for MP134A around the best solution to ensure prepayment customers are unaffected by a SoLR event. The original proposed solution, accepted by many, was to send SR2.1 (Update Prepay Configuration) to devices to set a 24/7 non-disablement calendar to prevent the consumer going off supply due to lack of credit. This ensures the consumer stays in prepayment mode (as they are used to) and does not cause confusion by suddenly being switched into credit mode without their knowledge, preventing contact into the appointed SoLR or attempting to contact the failed supplier and being unable to. In some meters or due to Supplier orchestration, SR1.6 may also reset the meter balance, further adding

Question 7			
Respondent	Category	Response	Rationale
			to consumer's confusion at a time when they're already concerned due to their original energy supplier failing.
ESG Global Limited	Other SEC Party	No	ESG don't believe there is any additional benefits to consumers than that which has already been facilitated in MP134A.
Shell Energy	Large Supplier	Yes	Other supply affecting impacts have not been considered. MP134B focuses solely on ensuring prepayment customers remaining on supply following a SoLR event and the proposed solution will incur considerable costs and system changes for DCC and SRPs. There are other events where consumers could lose supply that have not been considered. For example – incorrect configuration of ALCS or incorrect tariff configuration leading to loss of supply. It would be more effective to deliver any improvements that address the entirety of detrimental impacts to customers impacted by SoLR. This piece-meal approach is inefficient and drives costs into the industry and onto Customer bills.
E.ON	Large Supplier	Yes	The main benefit to customers is that the risk of disconnection will be reduced if meters are capable of being changed to credit mode. That, however is already achievable using the current workaround and E.ON is not convinced that changing the meter mode to credit is the most appropriate solution for maintaining supply. That approach has knock on impacts to the ongoing management of the customer and any credit/debt associated with their PAYG account prior to the SoLR event.

Question 8: Noting the costs and benefits (including scale of the issue) of this modification, do you believe MP134B should be approved?

Question 8			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	-	Whilst we understand the principle of this modification, noting the costs we currently do not know if the benefits will outweigh costs and if it is really needed. We are keen to understand supplier's views on this modification.
British Gas	Large Supplier	No	<p>We do not see any benefits to this modification, now MP134A has been implemented and is working well in practise.</p> <p>We note that there is an expected 12 months lead time for DCC, so the earliest that MP134B would be implemented is June 2023, provided it is approved by 29th June 2022. (page 7 of the MP134B Modification Report). If it misses this approval date, implementation will slip to November 2024.</p> <p>The Progression Timetable on page 10 of the MP134B Modification Report now confirms it will miss this deadline, as the Change Board Vote is only scheduled for 27th July 2022, so implementation would only be in November 2024.</p> <p>Both June 2023 and November 2024 are much too late for a modification that is linked to SoLRs. If there were benefits, it would be much too late for these to take effect.</p> <p>We note that the preliminary DCC cost estimate only covers £632,500 to £1,082,500 for 'Design, Build and Pre-Integration Testing (PIT)', with 'TBC' for all four other cost areas in the table on page 7 of the MP134B Modification Report. There will also be substantial integration costs for the various entities in the new DCC 'Shared Resource Provider' User Role.</p>
Utilita Energy Limited	Large Supplier	No	<p>We do not believe this modification should be approved.</p> <p>1) Faster Switching goes live before this modification, significantly reducing any benefit and introducing unnecessary cost (£1,082,500).</p>

Question 8			
Respondent	Category	Response	Rationale
			<p>2) The modification could lead to financial detriment to customers.</p> <p>3) This SoLR solution is not robust enough to provide energy customers with the assurances they require.</p>
OVO Energy	Large Supplier	No	We support the ESG response and do not believe that this modification is needed. MP134A already covers this.
ESG Global Limited	Other SEC Party	No	Please refer to all previous answers.
Shell Energy	Large Supplier	No	MP134B should be rejected on the grounds that the benefit does not outweigh the cost. There are considerable impacts to multiple parties and no clear reason as to why the Modification is needed over and above what has already been delivered with MP134A.
E.ON	Large Supplier	No	E.ON not believe that the proposed solution is the most effective way of avoiding customer disconnection, nor the ongoing management of the PAYG account. In addition, without any obligation to use the new solution then there is a risk that an expensive change will be unused.

Question 9: Please provide any further comments you may have

Question 9			
Respondent	Category	Response	Rationale
Western Power Distribution	Network Party	-	-
British Gas	Large Supplier	-	<p>I am not sure we agree with this progressing to Impact Assessment (cost of £28,000), given that the lead time to implementation will make any potential benefits irrelevant.</p> <p>An implementation date of November 2024 (or even the earlier date of June 2023) is much too late for anything associated with SoLR, particularly when the current MP134A solution is working well.</p> <p>The incoming Supplier is responsible for the meter point and the customers. We do not agree that this needs changes to DCC systems. Practically – as one of the largest incoming Suppliers in the recent round of SoLRs – we have found that the current SMKI PMA process has worked very well in practice, allowing us to provide security of energy supply to our customers in this time of transition.</p>
Utilita Energy Limited	Large Supplier	-	We agree that a SoLR solution to protect consumers is required but do not believe this modification is sufficient to offer the protection that those consumers require.
OVO Energy	Large Supplier	-	-
ESG Global Limited	Other SEC Party	-	<p>It remains unclear as to whether SRP's will be mandated in some way to have to qualify in the new DCC User Role or whether SRP's and their suppliers will have a choice as to whether to offer services for SECMP134A only. ESG believe the modification should be updated and cater for cost recovery for SRP's if ESG have to become a new DCC User as a result of the MOD being approved. The modification should have been much clearer in this area for both SRP's and suppliers to impact assess and add comments in the consultation response.</p>
Shell Energy	Large Supplier	-	-

Question 9			
Respondent	Category	Response	Rationale
E.ON	Large Supplier	-	-