



The Authority (Ofgem), the SEC Panel, SEC Parties and other interested parties

4 June 2018

Dear Colleague,

Government response to March 2018 consultation on proposed amendments to the Smart Energy Code (SEC), DCC Licence and energy supply licence conditions related to the provision of a DCC SMETS1 Service, and updates to the regulatory framework around transition

The Government response attached at **Annex A** sets out our conclusions in relation to the consultation of 27 March 2018 on proposed amendments to the smart metering regulatory framework related to the provision of a DCC SMETS1 Service.

The primary changes proposed in the consultation were:

- Amendments to SEC Sections F and H, covering Smart Metering System Requirements and DCC Services, respectively. The proposed amendments were designed to reflect changes required for SMETS1; including in relation to Target Response Times, testing, incident resolution, the re-naming of the Certified Products List, and rights and obligations of energy suppliers in respect of split supply premises.
- Activation of Section H7 of the SEC to enable requests for the provision of Elective Communication Services by the DCC.
- Amendments to Section G of the SEC on security to include SMETS1 Services within the scope of the SEC security obligations, and to incorporate SMETS1 Services within the remit of the SEC Panel Security Sub-Committee.
- Extensions to certain transitional provisions in the SEC and DCC Licence until the earlier of Completion of Implementation¹ or the end of 2020.

¹ Completion of Implementation occurs on a date designated by the Secretary of State (or by a person appointed by him for that purpose) provided that all the Conditions of the DCC Licence are in full force and DCC is reasonably able to comply with them. The SEC further provides that this will be when the Secretary of State believes that:

- The documents material to the implementation of the SEC have been incorporated into it;
- The provisions material to the implementation of the SEC apply in full and without variation;
- Each Party that holds an energy licence is reasonably able to perform its obligations and exercise its rights under the SEC.

- Provision for the development of a new SEC Subsidiary Document by the DCC, known as the Transition & Migration Approach Document (TMAD), covering the process to apply between Suppliers and the DCC when enrolling SMETS1 Smart Metering Systems that have been commissioned by an existing SMETS1 Smart Meter System Operator (SMSO).
- A range of additional minor and consequential changes to the SEC and licence conditions that are considered necessary to enable the effective and efficient delivery and operation of a DCC SMETS1 Service.

Following consideration of the consultation responses we have decided to implement the majority of the proposed changes, with several amendments to take account of stakeholder responses. This includes constraining the scope of the TMAD such that it will not be an enduring document and removing a provision that would have prevented certain testing decisions from being referred to the SEC Panel in the event of a dispute. The full Government response is at Annex A.

The legal text implementing the regulatory changes being made pursuant to our consultation (as set out in **Annexes B, C and D**) will be laid before Parliament today in line with the procedure under section 89 of the Energy Act 2008. Subject to no objection being raised during the 40-day laying period, we expect to bring the relevant modifications to the Smart Energy Code (SEC), DCC Licence and energy supply licences into effect in July 2018.

The Government will respond separately to the recently closed consultations on the enrolment of SMETS1 meter cohorts within the DCC and maximising interoperability for SMETS1 meters.

Yours faithfully,



Duncan Stone
Head of Delivery
Smart Metering Implementation Programme

List of Annexes to this letter

(These are published separately at: <https://smartenergycodecompany.co.uk/latest-news/government-response-to-the-march-2018-consultation-on-regulatory-changes-to-enable-provision-of-a-smets1-service-by-the-dcc>)

Annex A	Government response
Annex B	Legal text of final SEC amendments
Annex C	Legal text of final energy supply licence amendments
Annex D	Legal text of final DCC Licence amendments