SEC
Smart Energy Code

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Paper Reference:	**SECP_59_1008_14**
Action:	**For Decision**

Modifications with outstanding implementation costs

1. Purpose

It has been identified that some DCC System-impacting Modification Proposals have progressed with DCC Impact Assessment responses that have included only the implementation costs of the design, build and Pre-Integration Testing (PIT) stages. This paper summarises the situation and invites the Panel to agree how to proceed.

2. Outstanding DCC Assessment costs

Recent DCC Assessments (Preliminary Assessments and Impact Assessments) have provided the costs of implementing a Modification Proposal during the Design, Build and PIT stages. However, the costs of the System Integration Testing (SIT), User Integration Testing (UIT) and Implementation to Live stages have not been included.

As part of a recent letter to the Panel regarding the June 2019 SEC Release,[1] BEIS has noted the Impact Assessment responses for the modifications targeted for the November 2019 SEC Release do not contain the full set of costs, and queried whether the Panel would wish to reconsider whether information on full DCC costs has become available prior to draft Modification Reports proceeding to consultation or the Modification Proposals progressing to the Change Board for vote. Ofgem has also highlighted to us that a Modification Report submitted to it for an Authority determination that does not contain the full set of costs would likely be sent back in order for this missing information to be obtained.

DCC has previously noted that the costs of these activities would be assessed in aggregate across all Modification Proposals once the scope of a SEC Release has been confirmed, as the costs for a particular SEC Release cannot be estimated without the scope, delivery date and testing approach agreed. It has highlighted that the assessments for the affected Modification Proposals were requested prior to the finalisation of the Panel Release Management Policy in February 2018; it has responded that costs could not include testing approach, scope or timing of implementation. Costs to PIT are agreed with DCC's Service Providers, but costs for SIT could not be calculated in isolation. DCC notes that all Impact Assessment responses submitted do include ongoing operational costs and impacts, which were assessed for the relevant modifications as being negligible (zero).

[1] A copy of this letter can be found in Attachment B to Panel paper SECP_59_1008_16.

3. Impact on open Modification Proposals

The following open (pre-decision) Modification Proposals have received Impact Assessment responses with costs provided up to the end of PIT:

- SECMP0005 'Include Tariff and Register Labels in SMETS Devices'
- SECMP0015 'GPF timestamp for reading instantaneous Gas values'
- SECMP0018 'Standard Electricity Distributor Configuration Settings'
- SECMP0025 'Electricity Network Party Access to Load Switching Information'

Noting the views of BEIS and Ofgem, we do not believe these modifications should proceed further through the process until DCC is able to provide costs to the respective Working Groups that it considers acceptable for inclusion in the Modification Reports. This would allow the Working Groups and the industry to be able to make a fully-informed assessment of the merits and business case of each proposal, and for these to be included in the respective Modification Reports for the Change Board and the Authority to base their determinations against.

SECMP0018 has been targeted for inclusion in the June 2019 SEC Release, while SECMP0005, SECMP0015 and SECMP0025 have been targeted for inclusion in the November 2019 SEC Release. Delay to progression means it would be unlikely that any of these modifications will receive a decision in time for inclusion in these releases.

SECMP0005 & SECMP0015

SECMP0005 and SECMP0015 are currently in the Refinement Process. The Modification Report for SECMP0005 is due to be presented to the Panel at its August 2018 meeting, and for SECMP0015 at the September 2018 meeting. We recommend the Panel grants these modifications a timetable extension to the October Panel meeting. This will allow for DCC to provide updated costs that can be included in the Modification Reports and for the Working Groups to be able to consider these when it makes the case for change, re-consulting with the industry as required.

SECMP0018 & SECMP0025

SECMP0018 and SECMP0025 are currently in the Report Phase and are due to be presented to the Change Board for vote on 22nd August 2018. We propose to recommend to the Change Board that it votes to return these Modification Reports to the Panel. This will allow for the full costs, once provided, to be included in the Modification Reports and for the Working Groups to reconsider the case for change in light of these. Further consultation with the industry can also be carried out.

SECMP0018 will introduce a text change to the GB Companion Specification (GBCS); this will not in itself have any impact on DCC Systems, but it will require a GBCS version uplift and the corresponding testing. If SECMP0018 is implemented alongside another GBCS change, it will not incur any additional DCC development costs. However, if SECMP0018 is implemented as a standalone change, it will incur the full DCC cost and effort that comes with a GBCS uplift. The business case for SECMP0018 has been assessed on the basis it is implemented alongside another GBCS change and so will not incur any additional DCC costs; this should be reassessed for the scenario it is implemented as a standalone change.

Other modifications

We are reviewing with DCC all other open modifications for which a Preliminary Assessment has been requested or response received, in order to ensure these can include a full set of anticipated implementation costs. DCC notes that, at present, no workable system has been accepted for evaluating these costs.

We will be seeking updated responses for each of these where required to help the respective Working Groups form a fully informed view on the case for change for each modification prior to requesting the Impact Assessment. We will notify the Panel where this causes any delay to a modification's agreed timetable.

There are no Impact Assessment requests currently open.

4. DCC views on providing testing costs

DCC has highlighted that SECMP0008 'Provision of a DCC Alert (formerly Service Request Error Response) for Quarantined Service Requests' was the first DCC core system-impacting modification to proceed to Change Board and Authority (in this case BEIS) approval with costs to PIT. SECMP0006 'Specifying the number of digits for device display' was assessed as having no cost impact on DCC Systems as the upgrades to GBCS involved testing costs, but not coding changes. However, as both of these modifications were approved for implementation alongside Release 2.0 (being governed by BEIS outside of the SEC Modification Process), DCC notes that the testing and implementation costs for these modifications were factored into the overall costs for delivery of Release 2.0, and so could be provided prior to the modifications being submitted for decision.

DCC also notes that in evaluating a future release on a baseline that includes Release 2.0 and Smart Metering Equipment Technical Specification 1 (SMETS1), it has received cost estimates in excess of those expected. The largest factor is the scale of regression testing required to ensure new changes do not adversely impact on any device within the DCC System ecosystem.

5. Recommendations

The Panel is requested to:

- **AGREE** a two-month extension for SECMP0005, with the Modification Report due to be presented in October 2018;
- **AGREE** a one-month extension for SECMP0015, with the Modification Report due to be presented in October 2018; and
- **RECOMMEND** that the Change Board should vote to return the SECMP0018 and SECMP0025 Modification Reports to the Panel.

David Kemp

SECAS Team

3rd August 2018