Smart Energy Code

SEC
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SEC Modification Proposal Form

Mod Title

Amend requirement to remove 'Pending' devices from SMI

Submission Date

31 July 2018

Details of Proposer	
Name:	Amanda Rooney
Organisation:	DCC
Contact Number:	07547 586027
Email Address:	mods@smartdcc.co.uk
Details of Representative (if applicable)	
Name:	
Organisation:	
Contact Number:	
Email Address:	

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1. What issue are you looking to address?

SEC Appendix AC 'Inventory, Enrolment and Withdrawal Procedures' Section 7.2 requires that any device in the Smart Metering Inventory (SMI) with 'Pending' status be removed by the Data Communications Company (DCC) after 12 months. This requirement was originally developed as a 'housekeeping' policy.

Due to delayed installation activity in the Smart Metering Equipment Technical Specifications (SMETS) 2 rollout, increasingly more devices are due to be removed from the SMI through this requirement, with the first significant numbers expected in September 2018. As DCC Users are unable to install devices that have been removed from the SMI, this requirement is a potential barrier to rollout activity and the affected assets are no longer useful to Users in that state.

DCC Users installing devices through a 'first-in-first-out' strategy can ensure devices in older stock require fewer Over-the-Air (OTA) firmware version updates. With the removal of SEC Appendix AC 7.2, there would no longer be a regulatory disincentive to install newer stock ahead of older stock.

Additionally, DCC levies a Communications Hub (CH) Stock Level Charge (SEC Section K 'Charging Methodology' 7.5 part l) to customers in relation to devices that have been delivered and accepted but not yet commissioned, with figures taken from the SMI (as this was the most efficient process to follow). If this issue is not addressed, DCC will need to develop an enduring solution to sourcing data to calculate the CH Stock Level Charges for devices that have been removed from the SMI.

2. Why does this issue need to be addressed? *(i.e. Why is doing nothing not an option?)*

This issue presents:

- a barrier to installation activity;
- the devaluing of assets; and
- an administrative burden to both DCC and industry, with a need to actively monitor and report on the devices that are removed from the SMI.

Although a tactical solution to continue to calculate the CH Stock Level Charge is in place, this is not suitable as an enduring solution and will become more of a burden on DCC as more devices are affected.

3. What is your Proposed Solution?

We propose to remove the requirement in Appendix AC 7.2, which obligates the DCC to remove a Device from the SMI where the SMI Status of a Device has remained as 'pending' for 12 months.

To continue disincentivising a 'last-in-first-out' strategy, we suggest introducing a new reporting process to SEC Panel, through which SEC Panel are notified of DCC Users that install devices added more recently to the SMI, ahead of older available stock. This new process can be developed in the refinement process for this modification, with input from the Working Group and Party consultation.

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Our Security team believe this solution does not increase security risk.

4. What SEC objectives does this Modification better facilitate?
DCC believes this modification facilitates the following SEC Objectives (a[1]), (b[2]) and (f[3]) as it will: • remove the barrier to installation activity for DCC Users; • address the administrative burden on DCC and industry, due to tracking and reporting of near-deletion devices; and • enable DCC to issue appropriate Stock Level Charges with an enduring solution.

5. What is the requested Path type?	Path 3: Self Governance
We consider this modification to meet the requirements for Path 3: Self-Governance. The modification has a non-Material impact and incurs little to no cost or system changes for Users.	

6. Are you requesting that the Modification Proposal be treated as Urgent?	No
Does not meet criteria for Urgent proposal.	

7. What is your desired implementation date?
November 2018. Reports suggest that a significant number of DCC Release 1.3 devices were added to the SMI on or after September 2017, so a later implementation date will see a greater number of devices affected and potentially delay installation activity for DCC Users.

8. Which SEC Parties are expected to be impacted? (Please mark with an X)			
Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties		Gas Network Parties	

[1] (a) to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain
[2] (b) to enable the DCC to comply at all times with the General Objectives of the DCC (as defined in the DCC Licence), and to efficiently discharge the other obligations imposed upon it by the DCC Licence
[3] (f) to ensure the protection of Data and the security of Data and Systems in the operation of this Code

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Other SEC Parties	

This modification affects the method of retaining 'pending' devices in the SMI and applying relevant charges. Supplier Parties in possession of 'pending' devices after 12 months are affected by this modification, as (if approved) they will be able to continue to install these devices.

9. Which parts of the SEC will be impacted?

SEC Appendix AC section 7.2 is the clause that would be removed. It is possible an additional clause could be developed during the refinement process that would enable the new Panel reporting process described above, or a suitable alternative solution.

10. Will there be an impact on Central Systems? (Please mark with an X)

DCC Systems		Party interfacing systems	
Smart Metering Systems		Communication Hubs	
Other systems			

The proposed change is to the configuration of the SMI and will affect the reporting process, but we do not perceive this to be impacting Central Systems.

11. Will there be any testing required?

No testing will be required

12. Will this Modification impact other Energy Codes?	No

N/A

13. Will this Modification impact Greenhouse Gas Emissions?	No

N/A

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