Data Communications Company

Conclusion to SMETS1 Consultation

FOC (BG); Unenrolled L&G meters not included in FOC (BG) or FOC (NP) cohorts; SMETS1 TMAD; DMCT and MDUST

Version: 1.0
Date: 18 October 2024
Author: DCC Regulation

Table of Contents

1. Executive Summary

Background

1. The Data Communications Company (DCC) is the digital spine that is supporting the transformation of the energy system in Great Britain. DCC was licensed by the Secretary of State and is regulated by the Office of Gas and Electricity Markets (Ofgem) to connect smart meters in homes and small businesses across Great Britain to a single, secure, and interoperable digital network.

2. In 2018 and 2019, the Secretary of State at the time directed changes to the Energy Supplier and DCC Licences as well as the Smart Energy Code (SEC). This required DCC to provide services to enrol first-generation (SMETS1) meters on to DCC systems and for energy suppliers to enrol these in a timely way. This has enabled consumers to access the benefits of an interoperable smart metering market. To date, a total of 12.29 million SMETS1 meters have successfully migrated on to DCC systems. Most energy suppliers have now completed enrolling their SMETS1 meters.

Summary of our Consultation Conclusions

3. In September 2024 DCC consulted on a four key SMETS1 areas[1]. DCC received views from twelve respondents on these proposals, which are summarised below:

   A. **Decommission the FOC (BG) cohort migration capability on 3 Nov 2024 -** DCC consulted on a Decommissioning Date for the Requesting Party of 3 November 2024. DCC received support from all respondents to the closure. One respondent asked for the timetable to be postponed by one week. We are now proposing a Decommissioning Date of 10 November 2024. We provide further details in Chapter 2.

   B. **Disapply the migration requirements for the unenrolled L&G meters not included in FOC (BG) or FOC (NP) cohorts -** DCC consulted on disapplying the requirement to provide a migration capability for the unenrolled Landis & Gyr (L&G) meters. DCC received support from the majority of respondents. We have made recommendations to the Secretary of State on that basis. We provide further details in Chapter 3.

   C. **Extend the SMETS1 TMAD to 31 Dec 2025 to support MOC (Secure) migrations** - DCC consulted on extending SEC Appendix AL – SMETS1 Transition and Migration Approach Document (SMETS1 TMAD)[2] closure to 31 December 2025. DCC received support from the majority of respondents. Our proposal is therefore unchanged. We provide further details in Chapter 4.

   D. **Close MDUST service for the FOC (BG) cohort and curtail DMCT -** DCC consulted on closing the Migration Device and User System Testing (MDUST) service for the FOC (BG) cohort and limiting the Device Model Combination Testing (DMCT) service. We received support from all respondents for the proposals. DCC will therefore issue a notice to make required changes to the SEC by 10 November 2024. We provide further details within Chapter 5.

4. DCC has provided copies of the responses, including any concerns that were raised, to the Department[3]. Ofgem have also been provided copies.

[1] SMETS1 Consultation: FOC (BG); Unenrolled L&G meters not included in FOC (BG) or FOC (NP) cohorts; SMETS1 TMAD; DMCT and MDUST | Smart DCC
[2] https://smartenergycodecompany.co.uk/documents/sec-subsidiary-documents/sec-appendix-al-smets1-transition-and-migration-approach-document/
[3] BEIS is now the Department for Energy Security and Net Zero (DESNZ). This document will refer to it as the "Department"

2. Completing Migrations in the FOC (BG) Cohort

2.1. Overview

5. In the September 2024 consultation, we proposed to decommission migrations for FOC (BG) from 3 November 2024. The SMETS1 TMAD sets out the regulatory framework for the migration of SMETS1 meters onto the DCC network. This includes the bulk of the rights and responsibilities for DCC and Supplier Parties.

6. Consistent with SMETS1 TMAD Clause 7, DCC consulted on the draft Decommissioning Timetable (Table 1) below for the RP service in respect of the FOC (BG) cohort, which consists of British Gas SMSO meters. Of these, approximately c.3.380m meters have been successfully migrated onto DCC systems to date. Only one Responsible Supplier is responsible for the active unenrolled SMETS1 meters operating in this cohort and has indicated that migrating these meters will be completed by the end of October 2024.

7. By the proposed Decommissioning date for FOC (BG) DCC expects that all possible attempts to enrol unmigrated eligible SMETS1 installations containing solely dormant meters will have been exhausted and that no such meters will remain unmigrated, unless these have been excluded from the enrolment path because of unsurmountable barriers to migration in line with the defined Exclusion Categories as set out in SMETS1 TMAD Clause 18. Any such meters that fall into a defined Exclusion Category will have been notified by DCC to the relevant installing suppliers following short closure and in addition to DCC's monthly reporting of such meters to the suppliers via SharePoint.

8. Further information can be found in the consultation.

Table 1 – Draft Decommissioning Timetable proposed in DCC's consultation

FOC (BG) Decommissioning Stage	Date
The final date for submission of a Migration Authorisation in relation SMETS1 installations	Thursday 24 October 2024
The final Migration Week applicable to the SMETS1 SMSO for the FOC cohort	Week commencing Monday 28 October 2024
The Requesting Party P Decommissioning Date for the Requesting Party for the FOC cohort	Sunday 3 November 2024

2.1. Question One Responses

Question One
Do you agree with the proposal to decommission migrations for FOC (BG) and do you agree with the proposed Decommissioning Timetable? Please give a rationale for your response.

9. There were eight responses to this question.

10. All eight responses agreed with decommissioning the FOC (BG) cohort. Of these eight, seven agreed with the proposed decommissioning timetable. One response asked for clarity on whether all meters

that were available for migration had been migrated or attempted for migration. DCC has worked closely with the Party that provides the RP services in respect of FOC (BG) throughout the enrolment period and can confirm that by the RP Decommissioning Date all meters, which remain available for migration, and where the migration attempts are successful, will have been enrolled on to DCC systems in line with SMETS1 TMAD requirements.

11. The Responsible Supplier for most of the unenrolled meters in respect of FOC (BG) supported DCC's proposed closure of the cohort but asked DCC to postpone the proposed Decommissioning Timetable by a week to ensure that any residual migrations inflight from the previous week can be completed. After discussing the requirements for the final migration period with the Party, DCC has revised its draft Decommissioning Timetable as shown below (Table 2).

12. DCC confirms that this revision does not pose any risks that may relate to the commercial, technical and/or operational activities involved in supporting enrolment in the cohort and in decommissioning its RP before 31 December 2024 and that DCC has plans in place to begin the activities from the revised RP Decommissioning Date. On this basis and given the respondents' overall support for DCC's proposals related to closing FOC (BG), DCC considers it to be appropriate to progress decommissioning the cohort from 10 November 2024.

Table 2 – Draft Decommissioning Timetable revised after in DCC's consultation

FOC (BG) Decommissioning Stage	Date
The final date for submission of a Migration Authorisation in relation SMETS1 installations	Thursday 31 October 2024
The final Migration Week applicable to the SMETS1 SMSO for the FOC cohort	Week commencing Monday 4 November 2024
The Requesting Party Decommissioning Date for the Requesting Party for the FOC cohort	Sunday 10 November 2024

2.2. Recommendations and Next Steps

13. DCC has provided copies of the consultation responses received and a summary of those responses to the Department. DCC has engaged with the RP on their request to delay the timetable by one week and discussed plans and requirements for the final migration period.

14. DCC has separately provided to the Secretary of State the required documents relating to closing the FOC (BG) cohort, in which DCC has recommend approving the DCC's revised draft Decommissioning Timetable. These documents have been published alongside this conclusion.

15. There will be a '5-day regulatory stand-still', which will begin immediately following DCC' submission of the closure documents to the Secretary of State on 18 October 2024. If no concerns relating to the revised draft Decommissioning Timetable are raised during that time, and the revised draft Decommissioning Timetable is approved by the Secretary of State, DCC will notify SEC Parties of the final Decommissioning Timetable by 28 October 2024. DCC will then work through the required Decommissioning steps in line with SMETS1 TMAD Clause 7.

16. No later that 10 December 2024, DCC will advise each impacted Energy Supplier on their SMETS1 installations that are in an excluded category.

3. Unenrolled L&G meters not included in FOC (BG) or FOC (NP) cohorts

3.1. Overview

17. In the September 2024 consultation, we proposed that SMETS1 enrolment capability requirements should be disapplied in relation to the unenrolled L&G meters, which were not included in the FOC (BG) or FOC (NP) cohorts. DCC has investigated options for a possible migration solution for the unenrolled Landis & Gyr (L&G) meters, which were not included in the FOC (BG) or FOC (NP) cohorts. DCC's investigations highlighted that any of the options could lead to significant technical challenges and uncertainty, including risk to the security aspects of enrolment and a protracted delivery time. The costs to provide an enrolment service were found to be uneconomic before considering the low residual volume of these unenrolled L&G meters, the nature of the technical challenges and uncertainty. Should the risks and challenges materialise as part of pursuing any of the potential options, the potential realisation costs could materially change. It is therefore DCC's view that this renders the migration uneconomic and DCC proposed disapplying the requirement to provide a migration capability for the unenrolled L&G meters.

18. In 2019, the combined FOC (NP) and FOC (BG) cohorts contained over four million meters. It was initially assessed that there was an additional small number of L&G meters (c.0.032m) that potentially required a different enrolment solution and were not included in the FOC (BG) or FOC (NP) cohorts. The consultation explained that a range of factors have negatively impacted the viability of providing a migration solution for those remaining L&G meters leading DCC to propose that the requirement to provide a migration capability related to these meters should be disapplied.

3.2. Question Two Responses

Question Two
Do you agree that the SMETS1 enrolment requirements should be disapplied in relation to the unenrolled L&G meters, which were not included in the FOC (BG) or FOC (NP) cohorts? Please give a rationale for your response.

19. There were eight responses to this question.

20. Six respondents noted the negative economic case for migrating these meters. Seven of the eight respondents agreed with DCC's proposal. One response was neutral. Two of the supportive respondents noted that the proposal to remove a DCC obligation should be an exception, whilst one supportive respondent noted that the proposal could impact some Parties more than others.

21. DCC considers that these responses support DCC's proposal that the requirement to provide a migration capability related to these meters should be disapplied.

22. DCC notes that it has been taking, and continues to take, all reasonable steps to support migrations. As part of this, DCC has engaged all relevant Parties, including those that operate the residual L&G meters, before and during the consultation. From this, DCC understood that the Party operating the largest volume of these meters had recognised that the meters no longer had a path to enrolment because of the economic case relating to the DCC's options for developing a possible migration solution, and that the meters would need to be replaced.

3.3. Recommendations and Next steps

23. DCC has provided copies of the consultation responses received and a summary of those responses to the Department.

24. Given the consultation responses, our proposal remains unchanged, and we recommend to the Secretary of State that enrolment capability requirements for the residual unenrolled L&G meters be disapplied and that an enrolment solution for them not be provided.

4. Proposed TMAD Extension for MOC (Secure)

4.1. Overview

25. In the September 2024 consultation, we proposed that the SMETS1 TMAD is extended. Should our proposals made in these conclusions - to cease migration services for FOC (BG), and to disapply migration capability requirements for the unenrolled residual L&G meters - be approved, the MOC (Secure) cohort will be the only live meter cohort in which approximately 1 million eligible meters remain to be enrolled. The SMETS1 TMAD requires that DCC must support enrolment, but the MOC (Secure) cohort is unlikely to be completed in 2024.

26. SMETS1 TMAD Clause 1.3 states that the document expires on 31 December 2024, after which migrations cannot take place. Completing enrolment in MOC (Secure) and the required steps for closing the cohort's RP requires DCC to maintain support for the MOC (Secure) migration service past the SMETS1 TMAD current expiry on 31 December 2024. DCC therefore proposed extending this date to 31 December 2025 and to re-designate the SMETS1 TMAD with that date between 1 November 2024 and 1 December 2024.

27. DCC also proposed amendments to SMETS1 TMAD Clause 3.14E to provide clarity on when the cohorts decommissioning can begin.

4.2. Question Three and Four Responses

Question Three

Do you agree with the proposal to extend the SMETS1 TMAD expiry date to 31 December 2025 and with the proposed amendment to SMETS1 TMAD to implements this? Please give a rationale for your response.

28. There were twelve responses to this question.

29. All twelve respondents provided views on DCC's proposed extension to the SMETS1 TMAD end date. Two responses were neutral. One respondent did not support the extension. The proposal was supported by nine respondents. Of the twelve respondents, none responded to DCC's proposal to amend SMETS1 TMAD Clause 3.14E.

30. DCC considers that the proposed change to SMETS1 TMAD Clause 3.14E is technical and facilitates completing enrolment in MOC (Secure). It does this by providing clarity that the decommissioning of the cohort follows completing enrolment rather than the last Eligible Product Combinations List (EPCL) entry date. As this is a simple process change, DCC recommends that it is redesignated into the SMETS1 TMAD.

31. Nine responses agreed with the proposed SMETS1 TMAD extension. These respondents noted the benefits of DCC supporting enrolment in the MOC (Secure) cohort including to consumers and industry by maximising the number of enrolled meters, and the positive impact at split sites such as increased meter interoperability that can help reduce early device replacement costs.

32. One of the nine respondents also asked if DCC would continue enrolling MOC (Secure) meters that may become dormant after change of supplier, and another noted the extension would allow such migrations to take place. DCC confirms that meters that become dormant during the SMETS1 TMAD validity period will have enrolment attempts made following the SMETS1 TMAD.

33. For clarity, the benefits identified by respondents include:

    a. Maximising migrations

    b. Progressing split site enrolment

    c. Reduction in the volume of meter replacements which would otherwise result in

        i. Consumer inconvenience

        ii. Additional Supplier costs (replacement and early removal)

    d. Reduce the volume of stranded assets

    e. Enables migration where meter responsibility moves to another Party

34. Two Respondents, one of which supports the extension and the other which disagrees with it, highlighted that the costs of the extension will be borne by all Parties. These respondents also suggested more clarity on the costs are required and questioned the lack of migration progress in the MOC (Secure) cohort. These respondents do not support the socialisation of the costs to extend an enrolment service. Concerns raised regarding the cost socialisation have been passed to the Department for their consideration. DCC has an obligation to support SMETS1 migrations and there is a considerable volume of unenroll meters in the MOC (Secure) cohort. This volume means that the cohort cannot be closed while continued enrolment will enable the realisation if significant benefits for consumers and Parties.

35. DCC notes that, whilst the costs for a migration service, in part depends on the speed and scale of enrolment, DCC's systems are, as required, robust and ready to support its customers throughout the migration processes and in their preparation for it. DCC understands that there is a clear path to enrolling the remaining unmigrated meters at scale and pace in 2025. DCC will continue to take all reasonable steps to support migration of the remaining meters as quickly as possible so that costs can be kept at a minimum.

36. The Responsible Supplier for the majority of unenrolled meters in the MOC (Secure) cohort has indicated their desire to enrol their remaining SMETS1 meters up to the maximum capacity of DCC capability as soon as practicable following the delivery of an in-development Elective Communication Service (ECS).

37. One respondent questioned why the additional services, which the Responsible Supplier would like before migration, haven't been delivered sooner. SEC DP266[1] was raised in February 2024 to consider alternative methods of Unique Transaction Reference Number (UTRN) generation for prepayment top-up and has been progressed through the standard modification process. This modification did not progress past the Report Stage and in July 2024 was put on hold. At this point an application was made to DCC for the provision of an ECS to provide an alternative method of UTRN generation. DCC has worked with the applicant, including engagement through SEC Panel and the Security Sub-Committee to investigate the proposal and plans are in place for its delivery in March 2025.

38. One response questioned the drivers to complete migrations over the summer months and does not consider there to be any material reason for a delay in migrations until summer 2025. DCC considers that migrations can take place at any time during the calendar year but notes that some parties have historically limited migrations over the winter months for their prepayment customers, this is a decision taken by the Responsible Supplier when considering the potential impacts on their customers.

[1] Alternative SMETS1 UTRN Generation - Smart Energy Code (smartenergycodecompany.co.uk)

39. One respondent which disagreed with the proposal to extend SMETS1 TMAD considers the SMETS1 service to have proven a robust prepayment top-up service and noted their own successful prepayment and credit service in the MOC (Secure) cohort. They noted the length of time the migration solution has been available, that other Parties have completed their enrolment activities. This respondent considered an extension inappropriate where enforceable enrolment commitment has not been provided and questioned whether another extension might be requested in the future. This respondent considers that MOC (Secure) should be decommissioned.

40. DCC will make all reasonable efforts to support completing enrolment in the MOC (Secure) cohort as soon as reasonably practicable so that decommissioning can begin at the earliest opportunity.

Question Four

Do you agree with the proposed re-designating the SMETS1 TMAD on 1st November (or within one month thereafter)? Please provide a rationale for your views.

41. There were twelve responses to this question.

42. Of the twelve respondents to this question two disagreed with DCC's proposed timeframe for redesignating the SMETS1 TMAD, and ten broadly supported it. Of the ten supportive respondents, four highlighted that the timely redesignation will provide clarity on whether the SMETS1 TMAD validity is extended.

43. Of the two respondents that disagreed with the proposed designation timeline, one cited concern about the cost of continued support for the MOC (Secure) enrolment service and enforceability of the enrolment obligation. The other asked for clarity on whether enrolment can continue until 1 November 2024 and if DCC could close the migration service by the SMETS1 TMAD's current expiry on 31 December 2024, if TMAD extension was not granted.

44. In line with the SMETS1 TMAD requirements, DCC continues supporting enrolment in a live meter cohort, for which no decommissioning timetable has been approved, until 31 December 2024. However, if the SMETS1 TMAD is not extended, DCC will decommission that cohort after 31 December 2024. DCC therefore considers it appropriate to work towards redesignating the SMETS1 TMAD within the proposed timeframe.

4.3. Recommendations and Next Steps

45. DCC has provided copies of the consultation responses received to the Department and noted the different positions highlighted in the consultation responses, including comments regarding the enforcement of enrolment commitments.

46. DCC's position is unchanged. This is based on the consultation responses, the benefits enrolment will provide, respondents' overall support for DCC's proposals and following DCC's additional engagement attempts to understand the concerns from the relevant respondents in which the benefits to enrolment were recognised.

47. DCC is of the view that the proposals are required to enable the benefits to industry and consumers, which enrolment in MOC (Secure) will provide. Therefore, we recommend to the Secretary of State that, as proposed, the SMETS1 TMAD end date should be changed to 31 December 2025. We also propose that the changes to Clause 3.14E are made, by re-designating the document in the proposed timeframe.

5. Proposed Changes to DMCT and Closure of MDUST

5.1. Overview

48. In the September 2024 consultation, we proposed to limit the SMETS1 DMCT process and close the SMETS1 MDUST service. Given the reduced number of parties that are still participating in enrolment and maturity of services, DCC sought stakeholder views on its proposed changes to the requirements for the DMCT service, as set out in SEC Appendix AK - SEC Variation Testing Approach Document[1] for SMETS1 Services (SMETS1 SVTAD). DCC also proposed closure of the MDUST service, which will require a change to the SMETS1 Migration Testing Approach Document[2] (MTAD).

49. The SMETS1 SVTAD describes the testing requirements for the DCC's SMETS1 migration solution, including for DCC to provide the MDUST services (the latter to ensure that the different Device Model Combinations (DMCs), which installing suppliers may operate as part of their SMETS1 installations, can be successfully added to the SMETS1 Eligible Product Combinations List (EPCL) for enrolment).

50. MDUST is only currently provided for the FOC (BG) cohort and will no longer be required as enrolment in the cohort is expected to complete by October 2024 in line with the proposed revised Decommissioning Timetable (see Section 2). DCC therefore proposes to close MDUST, which will require a change to the MTAD. DCC estimates that closing MDUST can save up to £1.3m annually.

51. DCC's use of physical DMC testing and Substantive Equivalence (SE), which allows assessing new DMCs as equivalent to DMCs with existing EPCL entries, was required between 2018 and 2023 when new DMCs were added to the EPCL. However, the use of both processes had led to adding a considerable number of DMCs to the EPCL to enable their migration, and its testing experience and EPCL data maturity, increasingly enabled DCC to process new DMCs using SE. Since 2023, DCC has not identified, or been informed by suppliers, of new DMCs, and whilst DCC is expected to support enrolment in the MOC (Secure) cohort, DCC does not expect that DMCT will be needed. If a requirement for testing any DMCs arises, however unlikely, DCC will seek to initially meet this through SE, but will retain the option to procure additional service, as needed. This is likely to save up to £0.155m per year. If any further application was made for DMCT therefore, DCC proposed to only undertake DMCT after a direction from the Secretary of State to do so. This would require changes to SMETS1 SVTAD Clause 20.

5.2. Question Five and Six Responses

52. Question Five
Do you agree with DCC's proposal to curtail the SMETS1 DMCT process? Please provide a rationale for your views.

53. There were eight responses to this question.

54. All eight of the respondents agreed with this proposal with many highlighting the cost savings that this would provide and their consideration that the service is no longer required. Three respondents

[1] https://smartenergycodecompany.co.uk/documents/sec-subsidiary-documents/sec-appendix-ak-sec-variation-testing-approach-document-for-smets1-services/

[2] https://smartenergycodecompany.co.uk/documents/code-required-documents/migration-testing-approach-document-mtad-for-smets1-services/

noted that a significant number of SMETS1 meters in each cohort are already enrolled and it is unlikely that the full DMCT process would be required in the future.

55. None of the respondents commented in relation to the proposed legal text.

Question Six

Do you agree with DCC's proposal and timing to close SMETS1 MDUST processes? Please provide a rationale for your views.

56. There were eight responses to this question.

57. All eight of the respondents agreed with this proposal, based on the expected cost savings. One of the respondents noted that if the Secretary of State rejects the FOC (BG) closure recommendation then the MDUST processes should be reconsidered to support the ongoing FOC (BG) migration. We agree with this point.

58. None of the respondents commented in relation to the proposed legal text.

5.3. Recommendations and Next Steps

59. DCC has provided copies of the consultation responses received to the Department. Given the respondents' support for DCC's proposals related to closing the MDUST and changing the requirements for the DMCT service, DCC recommends to the Department that the proposals should be implemented, including through the relevant drafting changes to be designated into the SMETS1 SVTAD and the MTAD.

Implementation of changes to the SMETS1 SVTAD and the MTAD

60. Should our recommendation to redesignate the proposed changes to the SMETS1 SVTAD and the MTAD be approved, it will be appropriate to modify the SMETS1 SVTAD and, as per SMETS1 SVTAD Clause 4.2, the MTAD. Subject to the Secretary of State not directing otherwise, we plan to issue a notice to modify the SMETS1 SVTAD in relation to the DMCT process and a notice to modify the MTAD by 10 November 2024. This will ensure that the MDUST could close in line with the revised RP Decommissioning Date for FOC (BG). The revised legal text will be effective from 1 December 2024 or within one month thereafter.

61. DCC will notify the SEC Administrator and an updated version of the MTAD to reflect these changes will be available on the SEC website in due course.

62. DCC will continue to work with service providers to maximise the cost savings of implementing the changes that have been identified through this consultation.