Data Communications Company

DCC Business & Development Plan

2025/26

Contents

SECTION 1

Chief Executive's Foreword

The Government has put delivering clean power by 2030 at the heart of one of its five missions. Delivering this successfully will help drive a greener, smarter, fairer energy system.

"We are committed to delivering value for money and running a lean, efficient organisation"

"Delivering clean power will drive a greener, smarter, fairer energy system"

This includes the continued ramp up of renewable generation, supported by the necessary transmission and distribution infrastructure. It also requires robust digital and data systems to enable smarter use of intermittent energy sources, while driving greater consumer choice. Finally, the insight and mechanisms to support vulnerable consumers and those struggling to afford their energy bills to ensure a fair and just transition.

When I joined the DCC approximately 6 months ago, I joined in the belief that smart metering, and the DCC, was well placed to help enable this national mission. Yet to do so, there were some immediate priorities.

I wanted to listen and learn from customers and stakeholders from across the sector, to understand how DCC can support and enable their products and services. Critically this includes ensuring our performance supports industry to meet its roll out obligations as we approach the end of the current target framework, and then beyond.

Secondly, as a licenced monopoly operating at the centre of the system, we must play our part in addressing the affordability challenge facing consumers and the wider sector.

Finally, over time and at the appropriate point, further value can be extracted from a unique national asset, so it is important to ensure the future DCC is appropriately equipped to maximise that value, in support of industry and Government priorities.

It has been incredibly rewarding over the past few months to see the work underway across DCC and in collaboration with our customers and partners, as we work to deliver across all those areas, supporting both short-term enhancements and longer-term evolution.

Customer-centric and consumer-conscious

One of my first acts as Chief Executive was to sign the contracts with our four key service providers for the upgrade and modernisation of the Data Service Provider (DSP). This was a major milestone for the programme. The enhanced design will bring greater flexibility, stability and security. Moreover, once fully migrated, the new DSP will represent a significant cost saving for our customers.

This upgrade is part of a broader modernisation of our infrastructure that will help ensure we continue to deliver outstanding operational performance. Headline performance remains strong, with customer availability over 98% this year, but we recognise there are still areas for improvement. For example, installing meters on to the network needs to be as efficient as possible, and while this continues to trend upwards positively there is more to be done as we move into the next phase of the roll out.

In the short term, we know network coverage remains a critical focus area for many of our customers, especially as they seek to continue to meet installation targets. Our long-standing programme to develop the next generation communication hubs has now been rolled out, nationwide. Early installations show a step change in performance and offer significant per meter saving compared to legacy technology.

Value for money

As a central delivery body, we are committed to delivering value for money across all aspects of our cost base. The majority of DCC costs are delivered through our external service providers, and we are actively driving value for money through all our procurement and contract extension activity wherever possible.

Operationally, we are focused on more efficient use of the network to ensure we only pay for what we need, while internally are leaving no stone unturned to run an efficient operating model. The recent announcement of the closure of our Nottingham office, with further efficiencies planned, while difficult for colleagues involved, demonstrates our commitment to running a lean, efficient organisation.

As a central delivery body operating amid an ongoing affordability challenge across the sector, it is essential that we are transparent and able to clearly justify the costs we incur. We will be submitting our first ex ante business plan by the end of 2025 and operating within it from November 2026. Over the summer we have actively engaged with customers to gather feedback on the outcomes and associated costs of delivering our key services. This will soon be followed by scrutiny and
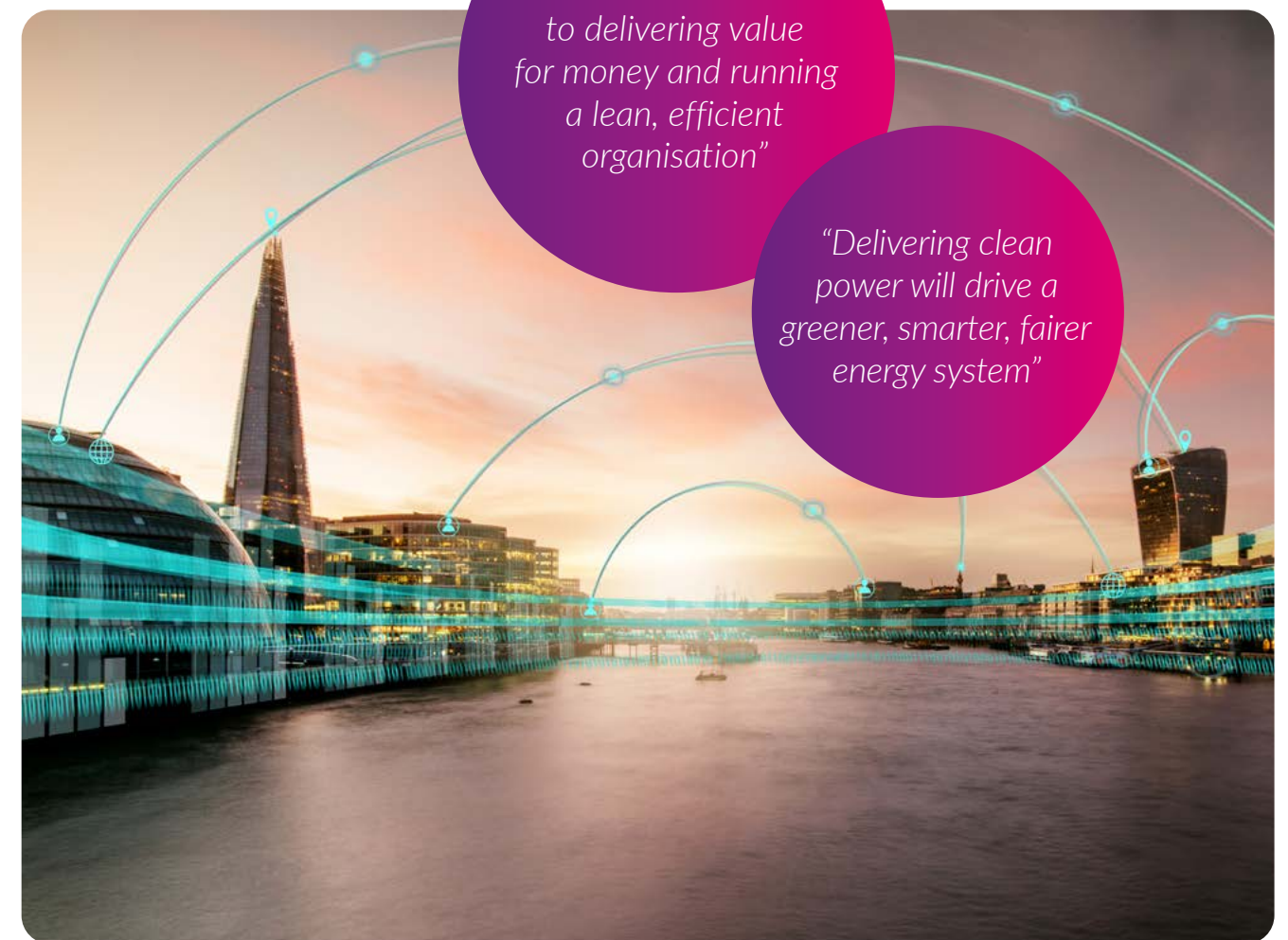
challenge from a new Customer Challenge Group. We welcome this shift to an ex-ante framework and look forward to continued engagement and feedback as we finalise this, and future, plans.

A seamless transition to DCC2

Ofgem's decisions on the ex-ante framework and governance structures, and its recent consultation on the future role and objectives of the future DCC are bringing increasing clarity on the construct of our future organisation. While the final ownership structure is still being determined, we are confident the shift to a not-for-profit model will reinforce our belief that the DCC, and the services which we deliver on behalf of industry, should deliver maximum system wide benefit.

Unlocking smart meter data, in a manner that protects consumers, holds significant potential to accelerate a smarter, fairer system. To date, we know it can help identify and support fuel-poor households more effectively, enable green finance products and support

flexibility services. At the DCC, we will continue to champion efforts to increase access to smart meter data in support of our national mission, while protecting the security and integrity of the network.

Looking ahead

The next five years will be transformative as we collectively pursue our national mission for Clean Power. DCC is committed to playing our part – upgrading core services to continue to meet customer needs, continuously looking for opportunities to address affordability while ensuring a seamless transition to the future DCC, equipped and enabled to deliver maximum value for Great Britain.

Chris Lovatt, Chief Executive Officer

The DCC and the Smart Metering Network

After being awarded the Smart Meter Communication Licence in 2013, Data Communications Company (DCC) designed, built, and now manages the telecommunications technology infrastructure that underpins the smart meter roll-out.

This section provides a comprehensive overview of the role and responsibilities of the DCC, the operational structure of the smart meter communication network, the utilisation of smart meter data, how DCC manages the network, who are the DCC customers and benefits of smart meters.
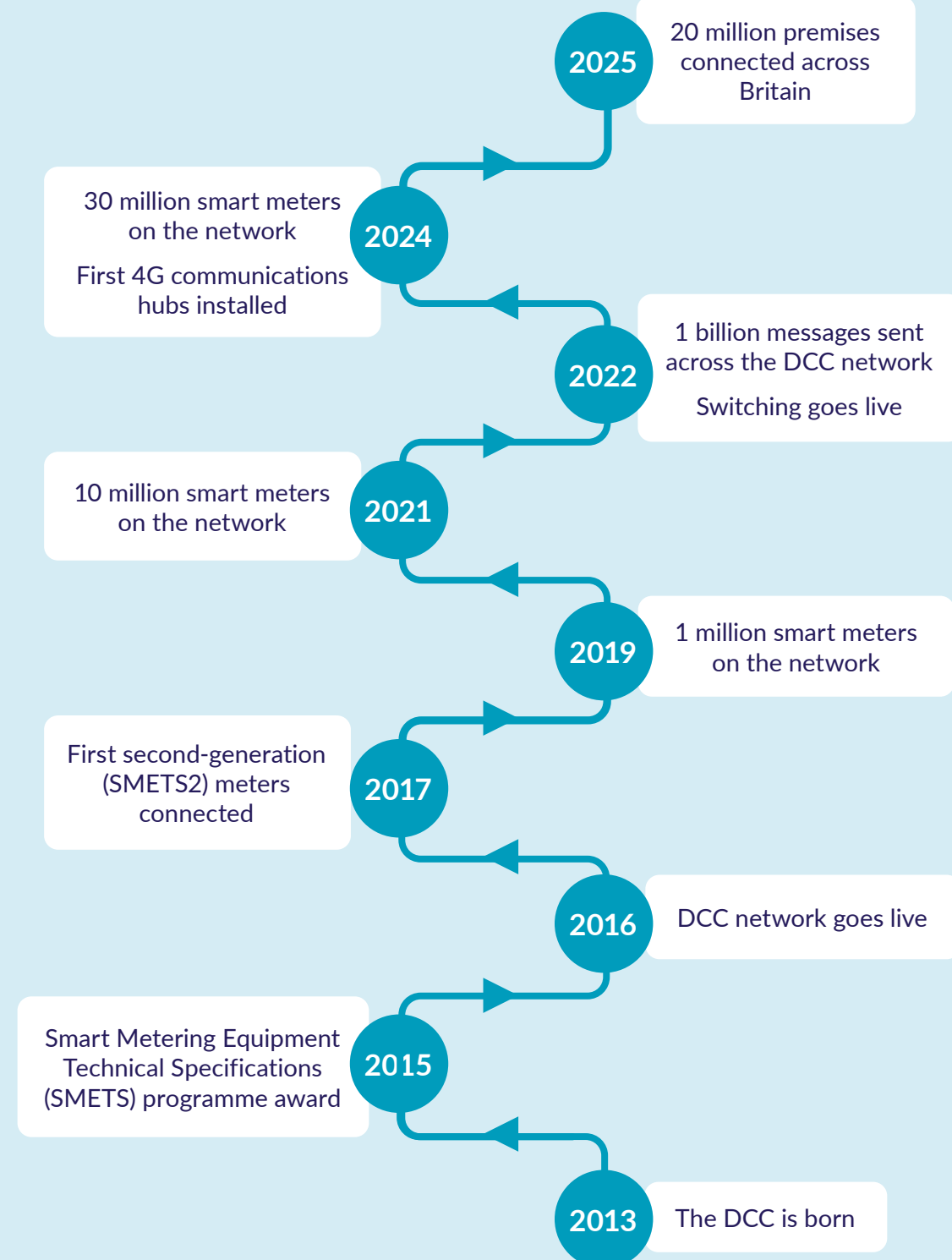
What the DCC is responsible for

✓ **Smart meter enrolment**
We support the roll-out of smart metering by ensuring new smart meters can be connected to the DCC network

✓ **Smart meter network maintenance and operations**
We ensure the network operates smoothly and securely, with a dedicated team monitoring its performance 24/7, 365 days a year

✓ **Security standards**
We have designed the smart meter network with security at its core, in collaboration with the National Cyber Security Centre (NCSC), which is part of the Government Communications Headquarters (GCHQ);[1] we protect the network from malicious actors and unintended consequences

✓ **Operational efficiency**
We deliver all of the above in an efficient and economical manner to ensure we provide value for money for our customers, as well as end consumers

What the DCC is not responsible for

✗ **Smart meter installations**
The government requires energy suppliers in England, Scotland, and Wales to provide smart meters to their customers

✗ **Policy changes**
The government and the regulator are responsible for energy policy and associated changes; however, DCC can act as a platform for policy implementation

✗ **Promotion and advertising of the smart meter roll-out**
Smart Energy GB (SEGB) is the not-for-profit campaign helping everyone in Britain understand the importance of smart meters and their benefits to people and the environment

✗ **Meter readings, billing, and tariffs**
The DCC does not have access to individual meter readings – these are encrypted and securely transported; DCC also does not handle billing or set energy tariffs – these are managed by energy suppliers

1 Protecting data on Britain's smart meter network | DCC

Timeline

2025 — 20 million premises connected across Britain

2024 — 30 million smart meters on the network / First 4G communications hubs installed

2022 — 1 billion messages sent across the DCC network / Switching goes live

2021 — 10 million smart meters on the network

2019 — 1 million smart meters on the network

2017 — First second-generation (SMETS2) meters connected

2016 — DCC network goes live

2015 — Smart Metering Equipment Technical Specifications (SMETS) programme award

2013 — The DCC is born
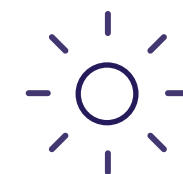
Smart Energy Homes: understanding how they work

Smart appliances

These are consumer devices that connect to smartphones or tablets for enhanced control, convenience, and information.
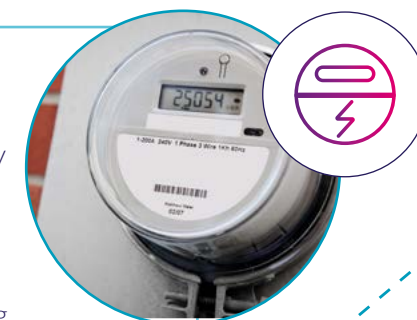
Low carbon technologies

(LCT): designed to reduce greenhouse gas emissions and minimise the carbon footprint of various activities, these technologies – which include electric vehicle (EV) chargers, heat pumps, and rooftop solar photovoltaic (PV) panels – are crucial for combatting climate change and achieving sustainability goals.

Smart electricity meter

This is a digital device that captures and directly communicates electricity usage data to the energy supplier in real time. In turn, the consumer receives accurate bills without the need for estimated readings. Some smart meters support variable pricing, which means the consumer can take advantage of lower rates during off-peak hours.

In-home display

(IHD): this shows consumers near real-time information on gas and electricity usage, cost, and greenhouse gas generation, allowing them to make more informed usage choices.
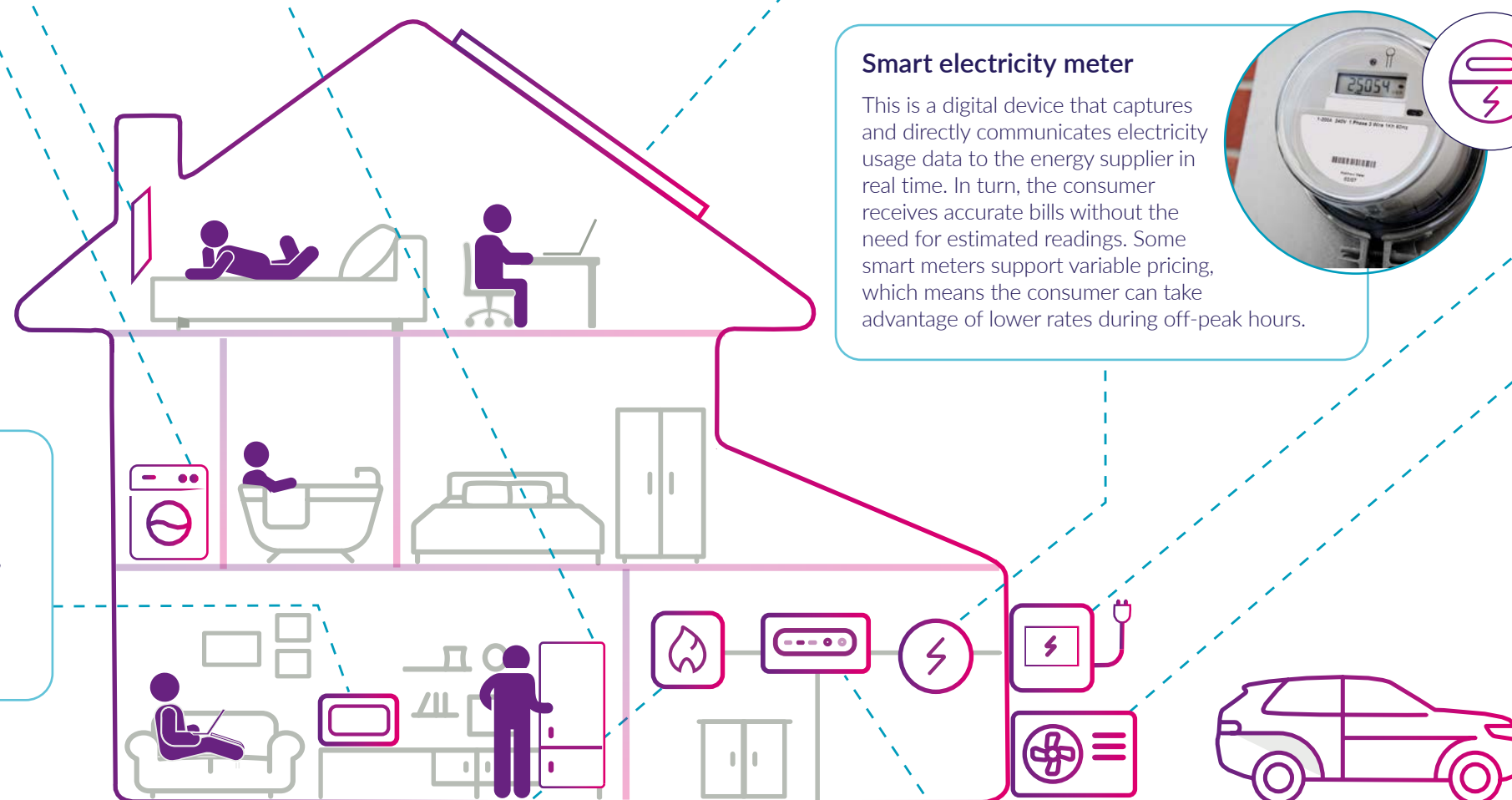
Smart gas meter

This is a digital device that records and transmits gas usage data to the energy supplier in real time, including half-hourly intervals. It also allows the consumer to get accurate bills, use energy more efficiently, detect any gas leaks, and reduce their carbon emissions.

Communications hub

This is a device that is installed in homes and businesses to connect smart gas and electric meters to a secure network. It transmits data to and from connected devices by creating a Home Area Network (HAN) – this is separate from home broadband and sits outside public internet.

From HAN to WAN

Wide Area Network

A Wide Area Network (WAN) connects the smart meter systems in consumers' homes to utility companies' central systems.

- Through the WAN, DCC sends, receives, and conveys communications to and from registered SEC Parties and their meters and other devices in end-consumer premises

- The WAN uses different technologies made up of radio and mobile masts. This already provides over 99.3% coverage with work underway to ensure 100% of eligible homes and small businesses can access the network

- The network is monitored 24/7 365 days a year by the DCC in our Security Operations Centre and Technical Operations Centre (SOC & TOC)
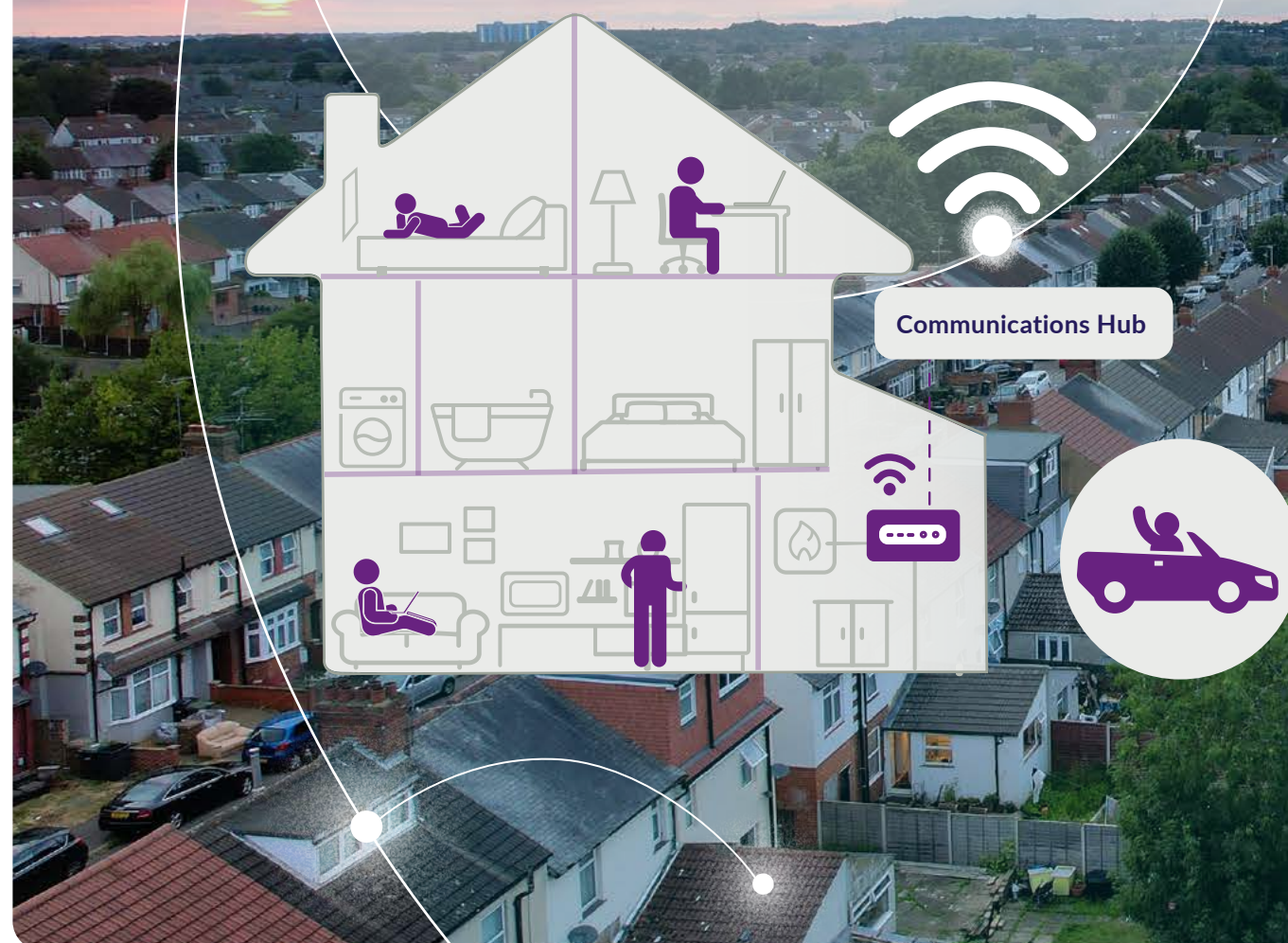
Home Area Network

The Home Area Nework (HAN) enables devices and appliances to communicate with each other.

- It connects devices within a home, such as smart meters, IHDs, and other smart appliances

- It allows these devices to exchange data in real time, enabling consumers to monitor their energy usage and manage their consumption more effectively

- A HAN typically uses wireless technologies like Zigbee to ensure secure and reliable communication within the home

Communications Hub

The scale and reach of smart metering data

There are now more than 34 million smart meters installed and enrolled on our network. The system currently supports over 130 distinct types of messages, known as Service Request Variants (SRVs) – and over 2.6 billion messages are sent across the network each month.

At the DCC, our primary priority is operating a stable, reliable, and secure smart meter network with the coverage our customers need to meet their roll-out targets across Great Britain.

Smart meters, and the network we operate, play a key role in the digitalisation of our energy system, giving consumers and energy suppliers access to their data.

'Smart metering brings immediate benefits to consumers, helping them to take control of their energy usage, and is a key enabler for the transition to a more flexible energy market and the delivery of net zero emissions by 2050.'

Ofgem[2]

Other uses of smart metering data

The UK government recognises that data and digitalisation will play a critical role in achieving its goals for clean energy and broader economic growth. Through the National Data Strategy (NDS), it aims to establish a world-leading data economy while maintaining public trust in data usage.

Ofgem and the Department for Energy Security and Net Zero (DESNZ) have several ongoing projects that are advancing with speed and intentionality: these include Consumer Consent, the Smart Meter Energy Data Repository, and the Central Asset Register.

At the DCC, we believe that universal data sharing, aligned with NDS principles, can help the industry develop innovative business models and solutions to address current social challenges and drive towards net zero. Our Data for Good initiative outlined our ambition to deliver public benefits by exploring the advantages of enhanced data access and identifying what is needed to realise its full potential.

Smart meter data has a pivotal role to play in supporting the UK's net zero targets, as well as addressing social issues like fuel poverty. The government and regulators are targeting thesepolicy challenges through investment in research, development, and innovation.

While DCC's primary focus remains on facilitating the successful nationwide roll-out of smart meters, we are also exploring ways for our customers and other stakeholders to leverage our network for a smarter energy future.
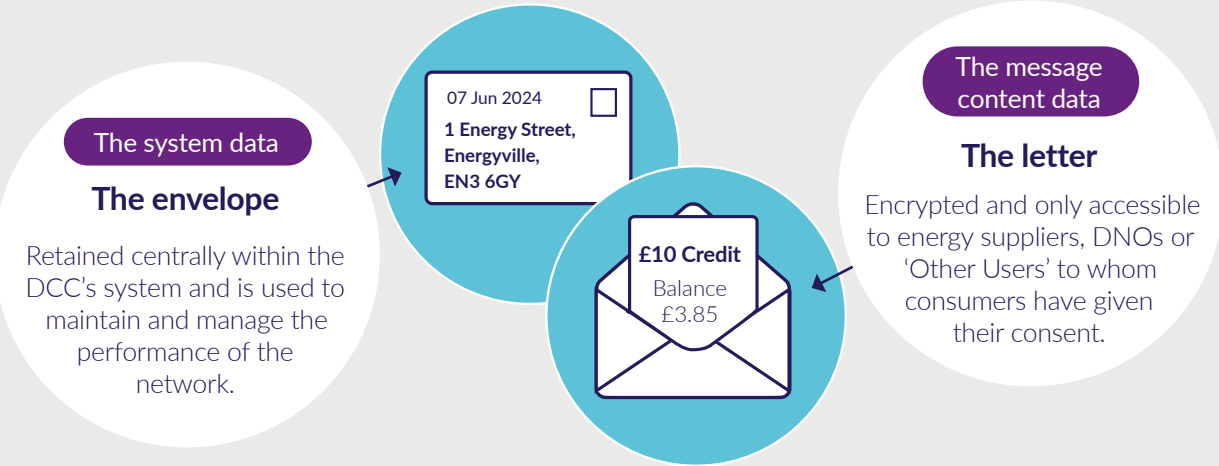
We have been working on several strategic projects aimed at maximising the potential and public value of the smart meter system. These include the Verify initiative, the Automatic Asset Registration (AAR) project, the development of a Smart Meter Energy Data Repository to enhance data accessibility and insights; and the Smart Meter-based Internet of Things (SMIoT) initiative.

The most common messages relate to the following services:

Service	Description
Prepayment	The prepayment service allows end consumers to add credit to their meters via over-the-air top-ups that go through the DCC network, keeping the lights on for millions of people. This is the most critical service that DCC provides, supporting some of the most vulnerable consumers in the country.
Install and commission	The install and commission service supports the installation and connection of new smart meters in homes to the DCC network. This provides end consumers with all the benefits of smart functionality.
Change of supplier	Smart meters on the DCC network are fully interoperable between energy suppliers, meaning the meter does not need to be replaced when a consumer switches supplier. The change of supplier service facilitates fast, simple switching between energy suppliers for end consumers.
Meter reads	Meter reads are most common type of message on the DCC network, allowing energy suppliers to read energy usage remotely and thereby removing the need for regular house visits or manual meter readings by consumers. Meter reads facilitate frequent, accurate billing of energy at the time of use – one of the main benefits of having a smart meter.
Firmware	The firmware service allows for remote meter upgrades, unlocking new functionality and benefits.

Our security model creates an important distinction between two distinct categories of data that flow through the system – message content and system data.

The system data

The envelope

Retained centrally within the DCC's system and is used to maintain and manage the performance of the network.

07 Jun 2024
1 Energy Street, Energyville, EN3 6GY

£10 Credit
Balance £3.85

The message content data

The letter

Encrypted and only accessible to energy suppliers, DNOs or 'Other Users' to whom consumers have given their consent.

2   Smart meter transition and the Data Communications Company (DCC) | Ofgem

SECTION 2

Managing the network

We are focused on operating a stable, reliable, and secure network with the coverage our customers need to meet their roll-out targets across Great Britain.

Through the Technical Operations Centre (TOC) and Security Operations Centre (SOC), we monitor and manage the network 24 hours a day, 7 days a week, 365 days a year. This helps us track the progress of the smart meter roll-out, manage issues on a day-to-day basis, and forecast and plan for future growth and demands.
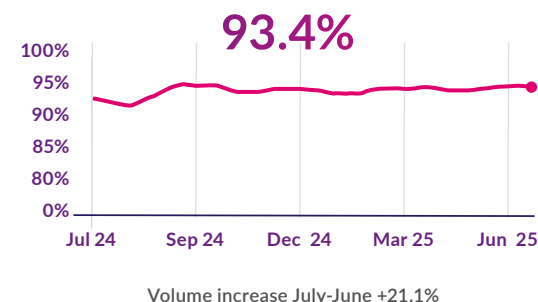
Operational performance

Network availability

99.9%

Ju1 24   Sep 24   Dec 24   Mar 25   Jun 25
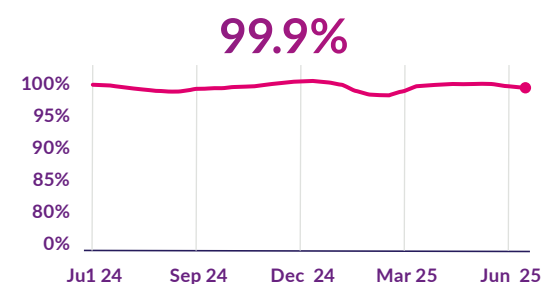
Service requests overall performance average

93.4%

Jul 24   Sep 24   Dec 24   Mar 25   Jun 25

Volume increase July-June +21.1%

We keep this information regularly updated on our website, including monthly incident reporting. For more information please see:

Smart meter statistics and network coverage

Successful 'top-ups'

97.8%

Jul 24   Sep 24   Dec 24   Mar 25   Jun 25
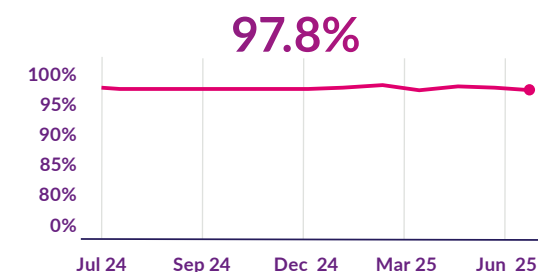
A prepayment meter, also known as a Pay-As-You-Go meter, is a type of energy meter that requires consumers to add credit before using it
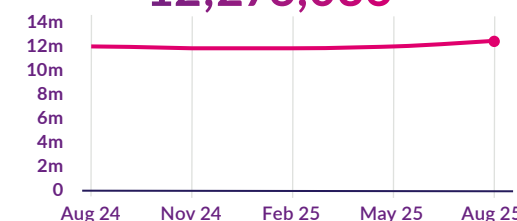
The scale of smart metering

Total smart meters connected

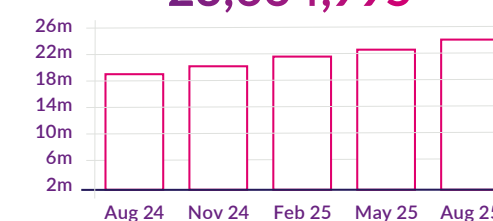# 35,941,031

Last updated on 04.08.2025

Connected SMETS1 smart meters

12,276,036

Aug 24   Nov 24   Feb 25   May 25   Aug 25

First generation smart meters
Last updated on 04.08.2025

Connected SMETS2 smart meters

23,664,995

Aug 24   Nov 24   Feb 25   May 25   Aug 25

Second generation smart meters
Last updated on 04.08.2025

Connected premises

21,578,589

Aug 24   Nov 24   Feb 25   May 25   Aug 25
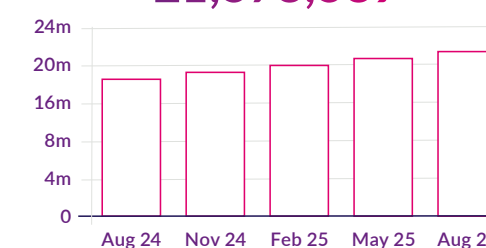
Last updated on 04.08.2025

Average daily connection rate

16,221

Weekday connections, second generation smart meters
Last updated on 31.07.2025

Messages sent monthly

2,836,588,576

Jul 24   Oct 24   Jan 25   Apr 25   Jul 25

Last updated on 31.07.2025

CO2 emissions saved

1,326,462

Tonnes, by all smart meters on DCC network over past year
Last updated on 04.08.2025

DCC customers

Over the past twelve years, Great Britain has embarked on a journey to digitalise energy use across homes and small businesses. This transformation began with a simple yet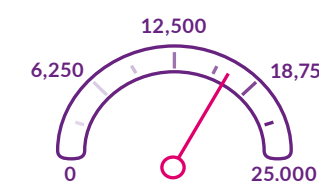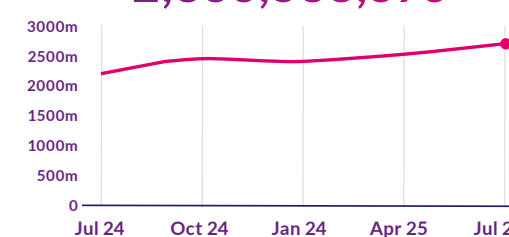 fundamental ambition: to provide consumers with accurate, real-time data about their energy consumption through the rollout of smart meters.

While this initiative primarily targets individual households and small enterprises, it also delivers significant value to our customer segments – such as energy suppliers, network operators, and other stakeholders – by enabling more efficient network management, improved forecasting, and enhanced service delivery.

Energy suppliers

Energy suppliers provide gas and electricity to homes and businesses nationally. In order to supply energy cost-effectively, they need to accurately forecast demand and purchase energy ahead of time to meet that demand. Smart metering enables suppliers to better understand consumption patterns across customer profiles, improving demand forecasting, supply matching, and billing accuracy.

The move to universal half-hourly settlement, scheduled to start in October 2025,[3] will unlock further benefits, as it will facilitate even more accurate matching of demand to supply. This will allow suppliers to offer real-time tariffs, helping consumers access greater savings and encouraging tariff innovation..

With greater tariff competition enabled through half-hourly settlement, consumers and businesses will also have more opportunities to switch suppliers to secure the best deals.

Moreover, the DCC's smart metering platform provides the technological infrastructure to support 24-hour switching – making switching simple, accessible, and reliable.

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Energy distribution

Distribution Network Operators (DNOs) and independent Distribution Network Operators (iDNOs) provide the cabling and associated infrastructure (e.g. substations) that support the distribution of electricity to homes and businesses.

Thanks to the smart metering network, DNOs and iDNOs can now understand how voltage levels are changing over time at each supply point and receive real-time alerts in the event of power failures.

Crucially, the combination of half-hourly consumption data and voltage data from smart meters offers network operators a highly granular view of their networks. This visibility is not only essential for informed operational decision-making but also forms the foundation for understanding future patterns of supply and demand.

Network operators are also required by the Office of Gas and Electricity Markets (Ofgem) to proactively identify opportunities for introducing flexibility services to better manage demand peaks. The smart metering network not only provides the data required to do this but also allows the delivery of these flexibility services to be monitored, supporting accurate reporting and payments.

Just as importantly, network operators receive power outage alerts that allow them to accurately trace the exact supply locations of outages, facilitating quicker and more targeted repairs in the field.

Authorised third parties

Organisations working directly with DCC, or via third parties are leveraging the smart metering network to enable a range of use cases. Some examples include:

Financial services firms

Banks and mortgage lenders use real-time energy data to price loans for green investments and meet carbon reporting regulations; they also offer 'green mortgages' and use smart meter data to track home carbon emissions.

Device manufacturers

Producers of heat pumps, batteries, and electric vehicle charge points can integrate their technologies with the smart metering infrastructure to enhance operational efficiency and gain deeper insights into energy usage. This integration supports the Home Energy Management Services (HEMS) sector, which is anticipated to grow substantially over the coming decade.[4]

The smart metering platform remains a dynamic asset that can be leveraged to support wider market needs as they arise.

Local authorities and housing developers

Housing organisations can assess the performance of buildings equipped with low-carbon technologies, assist residents in optimising energy use, and utilise smart meter data to prioritise retrofit initiatives and track progress against climate objectives. Housing developers are also contributing to the delivery of homes that meet the Future Homes Standard.

Overall, the smart metering platform continues to serve as a critical enabler of innovation and value creation across multiple sectors.

3   Market-wide Half Hourly Settlement Change Request CR055 'Amendments to M10 and corresponding milestones | Ofgem

4   Improving the energy performance of privately rented homes: consultation document (HTML) | GOV.UK

Benefits of smart meters

Smart meters are a vital upgrade to Britain's energy infrastructure. They enable a cheaper, cleaner, and more efficient energy system – helping us make better use of renewables, cut carbon emissions, and reduce reliance on imported fossil fuels. By providing real-time data, smart meters empower consumers to better understand and manage their energy use, while supporting the transition to a smarter, more flexible grid.

Smart meter key benefits for different market segments and participants

Consumers

Time-saving through automatically submitted reading[5]

Remote top-ups for prepayment customers[6]

Incentives to shift electricity demand away from peak times[7]

Informed decision-making on energy usage thanks to real-time consumption insights[8]

Energy suppliers

Fewer site visits to conduct reading meters[9]

Faster switching services[10]

Fewer customer billing enquiries[11]

Lower cost to serve for prepayment customers[12]

Reduced debt, theft, and losses across supplier customer portfolios[13]

DNOs

Quicker identification of faults in the network[14]

Ability to restore electricity supply quickly when outages occur[15]

Better investment decisions based on accurate energy data[11]

Better outage detection and management[11]

Environment

Reduction in consumer energy[16]

Lower carbon emissions[13]

Improved air quality due to reduced energy consumption[17]

5   Ofgem sets out new rules to boost smart meter standards and compensation | Ofgem
6   Prepayment Meter Guide: PAYG Energy Explained | Selectra
7   How half-hourly settlement will help cut energy bills | Ofgem

8   Benefits of Real-time Data in Energy Management Solutions | MoldStud
9   Smart Metering Implementation Programme Costs and Benefits Report | DESNZ
10 Centralised energy supplier switching | DCC

11 Get a smart meter | Ofgem
12 Maximising the smart meter rollout for prepayment customers | NEA
13 Case Study: How Smart Meters Transformed Energy Management for a Utility | INNOVEL
14 Energy Networks: Smart Meter Aggregation Assessment | ENA

15 Smart Meters Can Reduce Power Outages and Restoration Time | NEMA
16 Smart meters: a guide for households | GOV.UK
17 The environmental benefits of using smart meters | Terranova

SECTION 3

Our Operating Context

The DCC operates at the intersection of energy, secure technology and telecoms, and government policy. Rapid change is occurring across all these domains, albeit to somewhat varying degrees – which means DCC must hone its ability to identify implications, understand the necessary actions, and plan accordingly. This section assesses some of the key trends that impact our broader operating context.

These challenges are, of course, not unique to DCC. As a licensed monopoly at the centre of an evolving energy ecosystem, we continue to look for ways to work collaboratively with all our stakeholders to anticipate, respond to, and manage changing requirements.

DCC's Operating Context

Energy transition

Data and digitalisation

Consumer challenges

Technology and security

Regulation, governance, and reform

SECTION 3

Energy transition

The UK is rapidly transitioning to a low-carbon economy, driven by ambitious net zero policies, regulatory mandates, and substantial investment in clean energy. As part of this, the government is exploring fundamental reforms to how electricity is generated, priced, and consumed in its Review of Electricity Market Arrangements (REMA).[18] Ensuring energy security while reducing carbon emissions is essential for businesses, consumers, and infrastructure providers.

The acceleration of the green economy and net zero transition

The green economy – encompassing low-carbon, resource-efficient, and socially inclusive industries – is central to the growth agenda of Sir Keir Starmer's Labour Government. It aims to support environmental sustainability while also driving innovation and long-term economic expansion. The legally binding Sixth Carbon Budget mandates a 78% reduction in emissions by 2035,[19] which will require fundamental changes in energy production, consumption, and management.

Large-scale deployment of renewable energy, low-carbon fuels, and decarbonisation technologies is critical to this transition. These initiatives reduce emissions, create jobs, strengthen supply chains and enhance UK competitiveness in rapidly expanding green sectors such as clean technology, low-carbon manufacturing, and sustainable transport. In 2024, the net zero sector grew by 10%, contributing £83.1 billion[20] to the economy and supporting around 951,000 full-time jobs – which demonstrates the significant and ongoing impact of these expanding industries.

Offshore wind capacity is set to reach 50GW by 2030, with projects like Dogger Bank Wind Farm[21] playing a pivotal role. Additional initiatives include the Boiler Upgrade Scheme, which aims to phase out gas boilers in favour of heat pumps, and a move to ban new petrol and diesel cars by 2030 (and hybrids by 2035), accelerating EV infrastructure expansion.

Energy security and the shift towards domestic renewable generation

The UK's current reliance on imported fossil fuels poses a significant energy security risk, especially in a more volatile geopolitical environment. With the UK still importing 40% of its gas supply, the government is prioritising domestic renewable production, energy storage, and grid modernisation.

Expanding domestic low-carbon and renewable energy generation, particularly offshore wind and nuclear, is key to stabilising energy supply and reducing exposure to global price shocks. The UK is investing £20 billion in new nuclear projects, including Sizewell C,[22] to provide reliable base load electricity.

Battery storage and grid flexibility solutions have also become essential for managing intermittent renewable generation. Investment in grid-scale batteries, pumped hydro, and decentralised energy solutions will store excess renewable power, enhancing energy resilience. In addition, community energy projects are gaining traction – these increase regional energy independence and reduce pressure on centralised systems.

Building on this, smart meters enable energy system resilience by supporting demand-side response (DSR), where consumers shift energy use in response to price or carbon signals. This will become increasingly important as electrification rises and the grid must flex more intelligently.

Recent geopolitical developments have highlighted the need to strengthen resilience not only in energy production but across wider infrastructure and technology supply chains. Over-reliance on single-source manufacturing or global suppliers for key components increases vulnerability to disruption, with potential knock-on effects for essential system maintenance and future service continuity.

Notably, the government and wider industry are exploring the development of a secure, centralised register of energy assets to improve visibility of distributed energy resources and enhance system operation efficiency. This national data infrastructure will rely on accurate, real-time information to support the secure integration of asset data and smart services.

The role of the circular economy in infrastructure and energy services

In parallel with decarbonisation efforts, there is a growing drive to integrate circular economy principles into the energy sector. This means designing systems that reduce waste and maximise resource use across the lifecycle of infrastructure and devices; examples include reusing and recycling components from smart meters, batteries, and communications hubs.

Necessary skills for the energy transition

The UK's energy and technology sectors are experiencing acute skills shortages, particularly in areas such as cybersecurity, data science, systems engineering, and energy infrastructure. There is a risk that these will delay development and delivery of the infrastructure and innovation needed for a secure and sustainable future.[23]

18   Review of electricity market arrangements (REMA) | GOV.UK
19   UK enshrines new target in law to slash emissions by 78% by 2035 | GOV.UK
20   UK net zero economy grows 10% in a year | Energy & Climate Intelligence Unit
21   Offshore Wind Net Zero Investment Roadmap | HM Government
22   NIA welcomes Labour promise to back new nuclear projects | Nuclear Industry Association
23   UK needs 'urgent action' on energy transition skills, says NIC | Construction News

What does this mean for DCC?

Supporting the smart meter roll out and enabling energy efficiency: to unlock the system-wide benefits smart metering was designed to deliver, DCC must continue to deliver a reliable and stable system. This means providing a secure, stable platform for data exchange that helps consumers better manage their energy use, enabling demand reduction, behavioural change, and more efficient energy system operation. This also means maintaining resilience in the face of wider system risks, such as geopolitical or supply chain disruption, to safeguard continuity of service.

Data-driven efficiency and network scalability: the expansion of data services and grid flexibility through real-time analytics will be crucial for optimising energy consumption for consumers, reducing peak demand, and improving system resilience. DCC's infrastructure must remain flexible, scalable, and capable of securely supporting increased data volumes and evolving usage patterns as electrification and flexibility services continue to grow.

Policy and industry collaboration: partnering with policymakers, customers, and other interested stakeholders will ensure that DCC's infrastructure aligns with net zero objectives and evolving regulatory requirements. Ongoing engagement with government and regulators will be essential for shaping national initiatives, such as flexibility markets, asset registration, and the development of wider smart energy data infrastructure.

Strengthening circular economy practices: DCC is embedding circular economy principles into its operations, supporting improved returns and disposals. This includes sustainably designing and reusing smart meter system components, enhancing recycling processes, and implementing responsible end-of-life management. These activities will improve sustainability across the smart energy ecosystem and contribute to more efficient and environmentally responsible infrastructure delivery.

Building future-ready capability: we are continuing to assess our workforce requirements as the system evolves, making sure we have access to the right skills to deliver our services in a stable and efficient way.

SECTION 3

Data and digitalisation

Harnessing the rapid advancement of digital technologies is critical for achieving decarbonisation and driving economic growth. The UK's energy transition is underpinned by policies such as the Plan for Change: Make Britain a Clean Energy Superpower[24] and the AI Opportunities Action Plan,[25] both of which recognise the role of data and digitalisation in delivering a secure, sustainable, and efficient energy system.

In line with this policy direction, practical advances in digital technology are already reshaping how the energy sector operates. Advances such as real-time data exchange, artificial intelligence (AI)-driven automation, and enhanced connectivity are transforming the sector. By collecting and processing real-time data from smart meters, Internet of Things (IoT) devices, and grid sensors, these innovations enable smarter energy use, reduce waste, and improve system efficiency. Automated analytics and AI-generated insights support energy optimisation, regulatory compliance, and consumer engagement. Together, they play a vital role in meeting net zero goals and delivering economic benefits, ensuring digitalisation remains central to the UK's energy future.

Connectivity for a digitalised energy infrastructure
The rapid electrification of heating and transport is driving the need for a smarter, more resilient energy system – one that relies heavily on reliable connectivity. Millions of new assets, including EV charging points, low-carbon heating solutions (e.g. heat pumps), and energy storage systems, must be seamlessly integrated into the grid. This requires robust, real-time data exchange and advanced communications networks to manage and optimise energy use.

Without reliable connectivity and data management, the grid risks congestion and reduced reliability. Modern, secure communications are essential to enable smart, flexible energy systems that respond to changing demand and support technologies like AI and energy storage.

These advancements rely on the availability of secure, nationwide connectivity. The government is prioritising the roll-out of gigabit broadband[26] and the expansion of 5G coverage,[27] while also continuing to make progress with 4G deployment – which is a key factor for the new generation of smart meter communications. The use of household Wi-Fi through a Virtual Wide Area Network (VWAN) is expected to

play a growing role in smart meter connectivity, which means reliable in-home connectivity will become increasingly important as the system develops. Moving forward, hybrid communication models that incorporate fibre broadband, 4G, and 5G will play an important role in enabling seamless energy data management and supporting future grid stability.

At the household level, the way consumers engage with energy is also evolving, as consumers are being empowered with smarter, more responsive solutions.[28] Increased connectivity gives households access to real time data through smart meters, EV chargers and home energy storage systems. This enables better control of energy use, supports access to time of use tariffs, and allows integration with smart home apps to optimise cost and efficiency.[29]

Increasing adoption of smart technologies and data-driven energy management
The adoption of smart technologies in energy management is accelerating, driven by advancements in IoT, AI, and automation. Over 34 million[30] smart meters have been installed across Great Britain, offering real-time insights into energy consumption patterns.

At the household level, smart home ecosystems, including AI-powered thermostats, connected appliances, and automated energy management systems, are transforming energy usage by optimising consumption, reducing waste, and lowering costs. In the UK, the smart thermostat market is growing rapidly, with a projected market value of £500 million by 2025.[31]

The role of data
Unlocking the value of smart meter data
Tthe adoption of connected appliances is on the rise, with 39% of UK households using smart appliances in 2024.[32] Smart metering is at the heart of the energy system's digital transformation, with smart meters alone generating billions of data transactions each

month. This granular, near real-time consumption data provides transformative insights into household energy use, which in turn helps drive operational efficiency, support load forecasting, and improve billing accuracy. As such, smart meter data enables more responsive and flexible energy usage by providing consumers and industry stakeholders with greater visibility and control.

New data types and technologies
As connectivity improves and more IoT devices and smart appliances are adopted, the energy system is seeing an explosion in new data types. These include data from EV chargers, heat pumps, battery storage systems, and other distributed energy resources. When harnessed effectively, this expanding digital ecosystem can significantly improve system optimisation and flexibility. Advanced techniques driven by AI and machine learning can enhance data processing and analysis, helping to identify patterns and improve energy management.

Improving data access and sharing
Access to and secure exchange of energy data is becoming a national priority. Various initiatives, such as the government's Data Sharing Infrastructure[33] and cross-sector smart data schemes, are being developed to improve data transparency, with smart data schemes aiming to give consumers greater control over their data. Smart data-sharing frameworks must also ensure interoperability, data quality, and accessibility across industry participants.

Protecting privacy and security in a data driven system
As data-sharing frameworks evolve, maintaining robust standards for consumer consent, privacy, and cybersecurity will be essential. The increasing digitalisation of energy must be matched with effective safeguards to ensure fairness, protect consumer rights, and build trust.

24 Make Britain a Clean Energy Superpower | GOV.UK
25 AI Opportunities Action Plan | GOV.UK
26 Gigabit broadband in the UK: Government targets, policy, and funding | House of Commons Library
27 5G in the UK | House of Commons Library
28 The Impact of 5G Technology on Internet of Things (IoT) Applications | ResearchGate
29 Smart meters: unlocking the future | GOV.UK
30 Smart meter statistics and network coverage | DCC (as of April 2025)
31 Smart Thermostats – United Kingdom | Statista
32 Smart Home Statistics | GreenMatch
33 Governance of a Data Sharing Infrastructure

What does this mean for DCC?

Providing reliable and high-quality smart meter data: DCC must ensure that smart meter messages and commands, including those critical to prepayment services, are delivered accurately and in a timely manner. Reliable data transmission is essential for enabling consumer participation in flexibility markets, protecting vulnerable consumers, and supporting the wider energy transition. High-quality, consistent data is also critical for effective energy system operation and innovation. DCC will work closely with industry partners to identify and address data quality issues across the smart metering ecosystem, supporting better consumer outcomes and enhancing the value of smart data services.

Future-proofing connectivity solutions: as energy services become more data-intensive, DCC will continue evolving its connectivity offerings. This includes developing 4G and hybrid models, such as VWAN and next-generation communications hubs. These enhancements will ensure smart energy services can scale efficiently and remain resilient as transaction volumes grow.

Improving smart meter data accessibility: DCC will continue championing increased access to smart meter data, engaging with third parties and stakeholders to unlock its full potential for innovation and public good. This includes upgrades to the onboarding process, in line with recommendations from the Data for Good initiative.

Maintaining regulatory engagement and supporting digitalisation for system transition: DCC will continue to collaborate with government, policymakers, and industry stakeholders to help shape a digitised energy system that meets the needs of consumers and customers.

SECTION 3

Consumer challenges

Rising energy costs, labour shortages, and economic uncertainty are placing increasing pressure on consumers and businesses.

The rising cost of living

The UK's ongoing cost-of-living crisis – underpinned by sustained inflation, elevated energy prices, and broader economic pressures – continues to place significant strain on household finances. In 2023, the average UK household spent around 7.5%[34] of its total expenditure on energy, up from around 4% pre-2021. For low-income households, spending on energy can exceed 10% of total expenditure,[35] creating acute affordability challenges.

While government measures such as the Energy Price Guarantee[36] and the Energy Bills Support Scheme[37] provided vital short-term relief, they are not a substitute for long-term solutions. Many households, but particularly those on lower incomes, are experiencing serious financial vulnerability.

Energy debt

Energy debt in the UK has reached record levels, highlighting the increasing financial vulnerability of many households amid the ongoing cost-of-living crisis. In Q2 2024, total domestic energy debt reached £3.7 billion, with an average debt of £1,094 per customer.[38] This marked a quarterly increase of £387 million – the highest on record – and indicates growing pressure on household budgets. Even more concerningly, over 70% of these debts are not being repaid through agreed repayment plans, pointing to systemic affordability issues.

Simultaneously, energy theft is on the rise, costing the sector an estimated £1.5 billion[39] annually – the equivalent of £50 per household per year.

Addressing fuel poverty

Fuel poverty remains a critical issue, with approximately six million[40] UK households struggling to afford adequate heating and electricity. The wider economic impact is significant, including an estimated £1 billion[41] in additional annual costs to the NHS from cold-related illnesses.

Recent policy developments reflect a growing recognition of the need to develop systemic solutions to fuel poverty. DESNZ recently consulted on a Vulnerability Strategy, which seeks to better identify and support consumers in vulnerable circumstances through more tailored energy services and protections. In parallel, Ofgem has initiated a review of suppliers' vulnerability commitments, aiming to strengthen industry obligations around identifying and supporting at-risk customers. Ofgem is also examining the fairness and structure of standing charges, which disproportionately affect lower-usage households, many of whom are already fuel-poor.

In addition, the drive to introduce a mandatory social tariff has been gaining political and regulatory momentum: this targeted, discounted energy would those on the lowest incomes could afford to pay for their essential energy needs. Stakeholders are considering how such a tariff could be delivered effectively – potentially through existing infrastructure and data-sharing mechanisms. These efforts reflect a broader shift toward more proactive, equitable approaches to tackling energy affordability at a national level.

The government has committed to invest £6.6 billion to upgrade five million homes,[42] targeting reductions in energy bills through energy efficiency improvements and the installation of LCT. The Warm Homes Plan[43] will offer grants and low-interest loans for insulation, solar panels, batteries, and low-carbon heating, working in partnership with local and devolved governments. This support complements existing schemes such as the Warm Home Discount[44] and Cold Weather Payment,[45] although there is still room to improve the targeting of these initiatives to ensure that support reaches the most vulnerable.

What does this mean for DCC?

Operating efficiently: DCC is committed to operating efficiently and responsibly, delivering value for money to ensure we do not add extra, undue pressure to household energy bills. We are continuing to implement cost control measures across the organisation.

Network stability: we continue to focus on running a secure and stable network so that all consumers, including prepayment meter users, receive clear, accurate, and timely information about their energy usage, tariffs, and billing. These messages are particularly key for prepayment meter users.

Combatting fuel poverty: fuel poverty is a growing concern, but DCC can contribute to solving it by enabling data-driven strategies to support vulnerable households. Further details can be found in our "Tackling fuel poverty through smart metering" paper, which explores how smart metering infrastructure can help address the challenges of fuel poverty and support better outcomes for affected households.

Engaging with stakeholders and regulators: DCC will actively work with government, Ofgem, and industry partners to understand emerging consumer pressures and shape effective, coordinated responses. Through ongoing regulatory and stakeholder engagement, we aim to unlock the full value of smart metering infrastructure in easing affordability challenges and supporting vulnerable households. For greater access to DCC data see Data Services on page 67.

34 ONS household expenditure data insights into the effects of costs-of-living pressures | Office for National Statistics
35 Fuel poverty in the UK | House of Commons Library
36 What is the Energy Price Guarantee | EON Next
37 Energy Bills Support Scheme GB: payments made by electricity suppliers to customers | GOV.UK
38 Domestic Energy Debt Reaches Record £3.7 Billion | BFY Group
39 More British households struggling with bills will resort to energy theft, campaigners say | Energy bills | The Guardian
40 Despite energy bills falling, 6 million UK households to remain trapped in fuel poverty come April | NEA
41 Cold homes cost NHS £1.36 billion | Age UK
42 Make Britain a clean energy superpower | The Labour Party
43 Warm Homes: Local Grant | GOV.UK
44 Warm Home Discount Scheme: Overview | GOV.UK
45 Cold Weather Payment: Overview | GOV.UK

SECTION 3

Technology and security

Technology, including connectivity, remains a critical component of developing a smarter and greener energy system. With the growing number of connected devices and the significance of the data they transmit, ensuring cybersecurity is increasingly vital amid rapidly evolving threats.

Mobile network evolution

The UK Government has announced that 2G and 3G mobile networks will be phased out by 2033, in agreement with mobile network operators. Each operator will determine its own timeline and approach for switching off legacy networks within this timeframe.

The Shared Rural Network (SRN)[46] programme, jointly funded by the government and the UK's four biggest mobile network operators (EE, Three, VMO2, and Vodafone), aims to deliver 4G coverage to 95% of the UK by December 2025. This initiative will also improve coverage for an additional 280,000 premises and 16,000 kilometres of roads.

The UK Wireless Infrastructure Strategy[47] sets out an ambition to bring nationwide coverage of standalone 5G to all populated areas by 2030, enabling everyone to take advantage of new technology.

Broadband infrastructure

The fibre broadband roll-out continues to progress, with Openreach aiming to deliver full-fibre broadband to 25 million homes and businesses by December 2026. Project Gigabit[48] is crucial to achieving the government's target of full gigabit coverage by 2030 – it targets homes and businesses that are not included in broadband suppliers' plans, particularly in rural and remote communities.

IoT

IoT is revolutionising the energy sector by connecting a vast array of devices, from smart meters and home energy systems to EV chargers and decentralised energy resources.

AI in the energy sector

In December 2024, Ofgem launched a consultation on the use of AI within the energy sector, seeking feedback on draft guidance aimed at ensuring AI is used safely, securely, fairly, and sustainably in Great Britain's energy system. The final guidance and summary of consultation responses were published in May 2025, providing stakeholders with a clear framework for the responsible deployment of AI technologies.

Cybersecurity threat landscape

As energy systems become more interconnected, they also become more vulnerable to cyber threats. The NCSC has warned of growing field of risks, including ransomware attacks, AI-driven cyber threats, and state-sponsored hacking, which could disrupt power systems, compromise consumer data, and threaten national energy security.

Recent cyberattacks on energy infrastructure worldwide have demonstrated the very real potential of widespread disruption and underscored the need for robust cyber resilience measures. In response, the UK government has introduced stricter cybersecurity regulations, mandating enhanced security protocols for digital energy networks and encouraging investment in AI-powered threat detection and automated response systems. These technologies help identify and neutralise threats in real time, strengthening the overall security of the energy grid.

However, cybersecurity risks are not limited to external attacks. As the number of IoT devices multiplies reaching tens of billions globally so do security risks. More than 50 percent of these devices have critical vulnerabilities and one in three data breaches now involves an IoT device. This rapid expansion introduces serious challenges for securing devices and their data, necessitating robust encryption, real-time monitoring, and proactive cybersecurity governance.[49]

Cybersecurity innovations

To counter growing cyber threats, the energy sector is adopting advanced security measures, including:

AI threat detection
AI-powered analytics enable real-time detection of cyber threats and automated responses, reducing the risk of attacks on smart energy networks

Blockchain security
Blockchain technology enhances energy transaction security by creating tamper-proof records, ensuring transparency, and preventing unauthorised data alterations

Zero trust architecture
This security model continuously verifies all users and devices, significantly reducing the risk of unauthorised access

Quantum-resistant encryption
With the arrival of quantum computing, the sector is developing quantum-resistant cybersecurity frameworks to future-proof critical energy data protection

What does this mean for DCC?

Maintaining our security capabilities: as deemed Critical National Infrastructure[50], DCC has security obligations embedded in its licence. Ensuring that our cybersecurity capabilities are proportionate to the evolving threat landscape remains a key focus for us. By working closely with stakeholders and suppliers, we reinforce vigilance across the supply chain.

Future-proofing communications hub connectivity: we have successfully delivered our Communications Hubs and Networks (CH&N) programme, securing long-term connectivity solutions to support the UK's phase-out of 2G and 3G networks.
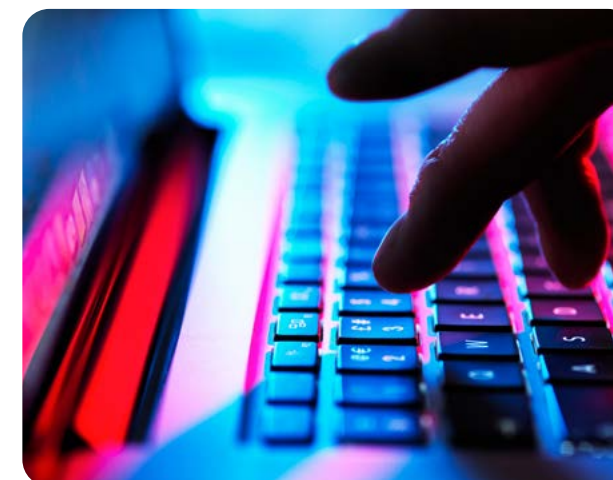
46 Shared Rural Network (SRN) progress update – September 2024 | GOV.UK
47 UK Wireless Infrastructure Strategy | GOV.UK
48 About us – Building Digital UK | GOV.UK
49 IoT Security Risks: Stats and Trends to Know in 2025 | jumpcloud
50 DCC is a CNI-impacting service, in that it can have detrimental impact on operators of essential services in the energy sector.

SECTION 3

Regulation, governance, and reform

The UK energy sector is undergoing wide-ranging reforms to support a more digital, decentralised, and decarbonised system. This includes clarifying governance, reducing regulatory complexity, and modernising market structures to support innovation, competition, and investment.

Reform of energy governance

The UK government has initiated a review of Ofgem to clarify its role and enhance its effectiveness as the independent regulator. This review is part of a wider initiative to streamline public bodies and reduce the number of quasi-autonomous non-governmental organisations (quangos), ensuring that regulatory functions are delivered efficiently and aligned with the needs of a modern, digital energy system. The effort supports government ambitions to remove unnecessary regulatory barriers, lower administrative overhead, and improve accountability in energy sector governance, while preserving Ofgem's distinct regulatory role.

Energy code reform

Reforms to energy codes are already underway – most of them are designed to simplify, digitise, and modernise the code system. The aim is to make the codes more responsive to innovation and more accessible for new entrants, enabling quicker implementation of market changes and facilitating new services such as demand-side flexibility and peer-to-peer trading. A new strategic governance model is being developed to provide clearer oversight and accelerate change.

Modernising the energy market

The Digital Markets, Competition and Consumers Act (DMCCA)[51] plays a pivotal role in encouraging decentralisation, enhancing competition, and expanding consumer choice. It centres on promoting data transparency, supporting local energy initiatives, and lowering barriers to entry for new providers of flexible, innovative energy services. These reforms are underpinned by evolving regulatory frameworks that aim to empower rather than constrain innovation and competition.

Review of Electricity Market Arrangements (REMA)

REMA represents a significant market reform programme, seeking to redesign the electricity market to better support decarbonisation, system flexibility, and security of supply. These reforms will shape how energy is bought, sold, and managed across the system, with direct implications for data flows, settlement processes, and the role of digital infrastructure providers.

Planning reform for energy infrastructure

Recognising the urgent need to accelerate deployment of low-carbon generation and grid capacity, the UK government has prioritised planning reform for energy infrastructure. Proposed changes include faster consenting processes, streamlined regulation, and updated national policy statements. These measures are designed to reduce delays and unlock investment, particularly in areas such as offshore wind, grid reinforcements, and energy storage.

Future of DCC

The future of DCC is being actively shaped through Ofgem's ongoing review of its regulatory framework. Notably, the current licence period will conclude in September 2027. In its Phase 1 Decision,[52] Ofgem outlined a reformed model that seeks to ensure greater transparency, accountability, and long-term value for consumers.

What does this mean for DCC?

Collaboration with Ofgem on the future of DCC: we will continue to engage with Ofgem on the ongoing review of DCC's regulatory framework, covering our governance, operational structure, and potential changes to make after the conclusion of the current licence period in 2027.

Engagement on broader sector reforms: we will continue to participate in discussions on governance and regulatory reforms across the energy sector, including energy code and market reforms, to ensure DCC remains fit for purpose in a modern, digital energy system. Through enhanced customer engagement, we will also seek to understand how the evolving nature of the energy system may shape use of the smart metering system.

51 Digital Markets, Competition and Consumers Act 2024 – Parliamentary Bills | UK Parliament
52 DCC Review: Phase 1 | Ofgem

SECTION 4

Our strategy

The DCC, together with its customers, connects homes and businesses to a single, secure, smart metering network.

Purpose

At DCC, we are driven by our purpose.

Our Purpose:

We believe in making Britain more connected, so we can all lead smarter, greener lives.

Values

How we achieve this purpose is guided by our three core values. They help us to work consistently and collaboratively, both internally and with our diverse set of external stakeholders.

Our three core values are:

ACTING WITH
Integrity

MAKING A
Difference

BEING
Accountable

Our strategic outcomes

As a regulated monopoly, we recognise our obligations and the expectations placed on the smart metering network by Ofgem and DESNZ, while ensuring we meet customer expectations.

We operate at the heart of the UK's energy transition, supporting over 34 million smart meters across more than 20 million premises. This infrastructure helps over half of British households reduce energy use and carbon emissions.

As the UK advances toward its Clean Power 2030 goal, our smart metering network is a key enabler – facilitating real-time grid balancing, renewable integration, and more sustainable consumption.

Our network is more than a communications system – it's a digital foundation for the UK's evolving energy landscape. It supports innovation and resilience through capabilities like half-hourly settlement and a national smart meter data repository, helping build a smarter, more responsive energy system.

As we expand, we're focused on delivering services with greater flexibility, speed, and cost-efficiency – ensuring reliable supply and supporting affordability. Our strategic outcomes guide our mission and track progress as we help shape the UK's energy future.

We will be:

Secure and stable

We deliver reliable network performance, nationwide, while maintaining a security posture and resilience expected of an asset deemed CNI
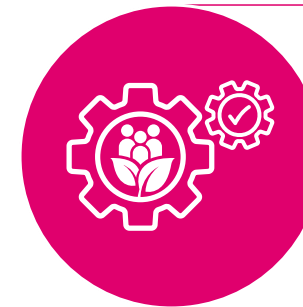
A responsible and efficient business

We operate efficiently and responsibly in a manner that recognises our obligations to our people, our customers, and ultimately consumers

Flexible and fast

We deliver an accessible and flexible platform, enhancing our capabilities to provide a swift and seamless experience for current and future customers

Right first time

We deliver our services to the time, cost, and quality expectations of our customers and wider stakeholders

SECTION 4

What we operate

We operate and maintain the smart metering network on a 24/7 basis, securely transferring energy data from homes and businesses to our customers.

Our customers are energy retailers, DNOs, managed service providers, and a growing number of other innovative businesses.

We provide a range of service offerings, supported by common capabilities.

Services

Smart Energy · SMETS1 · SMETS2 · Switching · Data Services

Smart Energy

The Smart Energy service family provides the secure, reliable connectivity that enables smart meters across Great Britain to communicate with suppliers and authorised parties – supporting accurate data access, efficient energy use, decarbonisation goals, and continued interoperability in a changing market.

At the core of this service family is the secure and stable operation of both first-generation (SMETS1) and SMETS2 meters. In the long term, the continued rollout of SMETS2 meters remains important for enhancing network resilience and ensuring alignment with evolving industry standards. While migrated SMETS1 meters are already interoperable across suppliers via the DCC, SMETS2 meters offer additional benefits in terms of security, functionality and future system capability.

Notably, the Central Switching Service (CSS) in the Smart Energy family allows consumers to switch energy suppliers without disrupting their smart metering services, ensuring accurate data collection and billing.

Data Services within the Smart Energy family enable secure, efficient access to smart meter data to support innovation, improve customer experiences, and advance decarbonisation. By refining third-party access, expanding visibility of system data, and strengthening our internal data capabilities, we are helping to unlock deeper insights, enhance service delivery, and drive the development of smarter, more sustainable energy solutions.

Ultimately, the Smart Energy service family has an important role to play in transforming Great Britain's energy infrastructure, helping to create a more connected, efficient, and consumer-centric system.

Enabling & Testing Services · Meter Data Management · Privacy & Security · Service Management · Testing Services

Enabling and Testing Services

DCC's Enabling and Testing Services are crucial for a secure and efficient operation of the smart energy network. They provide the underlying capabilities including data management, service oversight, security and testing that keep the system running smoothly and ready for future needs.

Meter Data Management is delivered through the DSP, which sits at the heart of the smart metering system. It manages the secure flow of messages between energy suppliers and smart meters, enabling key functions such as billing, prepayment top-up and service diagnostics. By providing continuous, near real-time data communications, the DSP ensures the performance and reliability of the entire network.

Meanwhile, the Privacy and Security segment focuses on protecting the ecosystem, with advanced threat detection, encryption, and access controls to safeguard consumer data and critical infrastructure.

Service Management oversees the network's daily performance, resolving issues and ensuring availability for customers.

Finally, Testing Services validate system updates, new technologies, and service changes, ensuring all DCC services meet high standards for reliability, interoperability, and regulatory compliance before deployment.

Together, these services ensure the resilience, security, and efficiency of the smart energy ecosystem, enabling DCC to deliver a seamless experience and trusted platform for customers and consumers.

How we deliver

In operating these services, the DCC delivers a unique set of activities, from engaging with a varied set of stakeholders, to designing, procuring, and securing new technologies, to assuring and operating these technologies as part of managing the network.

Any changes to existing services are managed through our Lifecycle Management service.

Lifecycle management approach

We manage service change through a structured end to end lifecycle that ensures efficiency, accountability and quality at every stage.

All new change requests, whether from government, customers or other sources, enter through a single standardised process. This allows us to plan ahead, assess risks early and carry out cost benefit analysis before changes progress.

For major programmes or procurements, we follow the HM Treasury Green Book business case process, ensuring that changes are grounded in evidence, meet customer needs and deliver value for money. We are also adopting common delivery standards to improve speed, transparency and consistency.

As services move into live operation, we apply quality gates to manage change and protect customer operations. Our service assurance framework ensures that risks are identified and mitigated, and that changes meet key performance and quality standards.

In 2024/25, we delivered over 4,888 changes, a 32% increase on the previous year, with a 98.2% success rate, exceeding our 95% right-first-time target.

We engage stakeholders on customer forums throughout the process, recognising that effective delivery depends on collaboration across a complex ecosystem. Our aim is to be a trusted delivery partner to customers, regulators, suppliers and others.

As a licensed monopoly, we are committed to delivering services in a way that is efficient, responsible and focused on long-term value for money. We continue to look for ways to improve how we operate and enhance cost efficiency across the business. For more information on how we improve Cost Efficiency see page 92.

The following sections outline this integrated approach and our efforts to design (Technology), procure (Commercial), and secure (Security) our network.

Technology

The Technology function brings together specialist expertise to ensure the integrity of smart metering solutions. We collaborate closely with our customers, SEC and Retail Energy Code (REC) subcommittees, our regulator (Ofgem), and service providers to ensure our technology meets the needs of today and is prepared for tomorrow. We design the technology roadmap and forecast necessary changes to ensure that every home that wants a smart meter can get one – and that it will stay securely connected to the network throughout the asset's life.

We ensure our platforms meet the obligations of the DCC license and our Operational Performance Regimes (OPRs). Indeed, we seek to continuously improve them to guarantee that every message reaches the meter and that the required responses are received. Moreover, we are increasingly supporting industry and UK initiatives by providing greater access to data and aligning with the UK's data-sharing initiatives.

We aim to introduce tools and capabilities that leverage AI frameworks and tools in a secure and ethical way, driving efficiencies across our systems and empowering our people to deliver better smart metering services.

Technology vision

Our vision is to operate an efficient and secure DCC network at scale. We will leverage virtualised, secure, and scalable infrastructure to ensure we meet our service obligations while lowering the cost per message. Our plan is to simplify the design of our infrastructure and, where practical, push functionality right to the edge of the network.

As our solutions evolve, we will reduce complexity, deliver faster change, and drive improved interoperability across end devices. Ultimately, this will drive efficiency for our customers and offer us the flexibility to support future policy.

To deliver against our obligations, we are following a series of technology and design principles:

- We design end-to-end solutions that utilise proven standards-based technologies and services rather than unproven cutting-edge and proprietary technologies

- We ensure our service providers' solution designs meet or exceed the required security standards and will always operate to CNI standards

- Our architecture and designs ensure we can operate to the scale and in-life performance set by our customers and code bodies (SEC and REC)

- We design and maintain our smart metering infrastructure to be future-ready – supporting the UK's decarbonisation goals while ensuring consumers benefit from a smarter, more sustainable energy system

We will work towards this vision, balancing ongoing performance and service continuity with network improvement and future-proofing. By leveraging new infrastructure developments, we will harness the benefits of multi-cloud solutions and advancements in connectivity for end devices, lowering the cost of our services and improving system resilience.

SECTION 4

Commercial

Ensuring secure and stable network performance, resilience, and value for money for customers is of paramount importance, and we rely on our external partners to deliver many of our mandated obligations.

Our Commercial team are focused on the following areas:

Strategy and planning

- We are building out our Responsible Business Framework (RBF) practices in conjunction with our supply chain, ensuring we are aligned with our organisational purpose, reducing our carbon footprint, and working with suppliers that are committed to environmental, social, and governance (ESG)

- We are nurturing commercial leadership and coordinating and executing commercial activity across our major programmes, CH&N and Data Service Provider (DSP)

- Leveraging our enhanced commercial pipeline, we want to take a more proactive and strategic approach to operations, ensuring optimal outcomes are realised and continuity of service is maintained

Sourcing and procurement

- We are implementing a regulator-approved Procurement Strategy that provides clarity on the use of frameworks and direct negotiation to deliver speed and value for money, in alignment with government and regulated private sector best practices; we are utilising various frameworks to reduce timescales and drive better value for money for customers and consumers

- We are currently developing frameworks for consultancy, professional services, IT services, and public cloud, all of which we expect to deliver by the end of Q3 2025; these frameworks will enhance efficiency and deliver significant benefits

- Following the implementation of our new Sourcing Platform, which will significantly enhance our digital capabilities, we aim to strengthen end-to-end operational efficiency by leveraging advanced analytics, AI-driven insights, and automation

**Supplier and contract management**

- Our Strategic Supplier Management team are facilitating stronger connections with external partners and collaboratively identifying opportunities to support further consumer benefits

- We continue to optimise core commercial processes, refining and standardising them to ensure they are not only robust but also adaptable to changing market dynamics

- Our new Master Service Agreement is aimed at driving improved governance and control across contracts and supply chain, ensuring service continuity, continuous improvement, commercial leverage, and value for money

- We are focused on maximising supplier performance and value, ensuring our partners are empowered and held accountable to deliver high-quality outcomes aligned with our strategic goals

Risk and resilience

- It is crucial that we proactively identify and mitigate third-party risks to safeguard the business against potential threats and disruptions; this means enhancing business continuity planning and building greater resilience to external challenges

Process optimisation and capability building

- We continue to optimise core commercial processes, refining and standardising them to ensure they are not only robust but also adaptable to changing market dynamics

SECTION 4
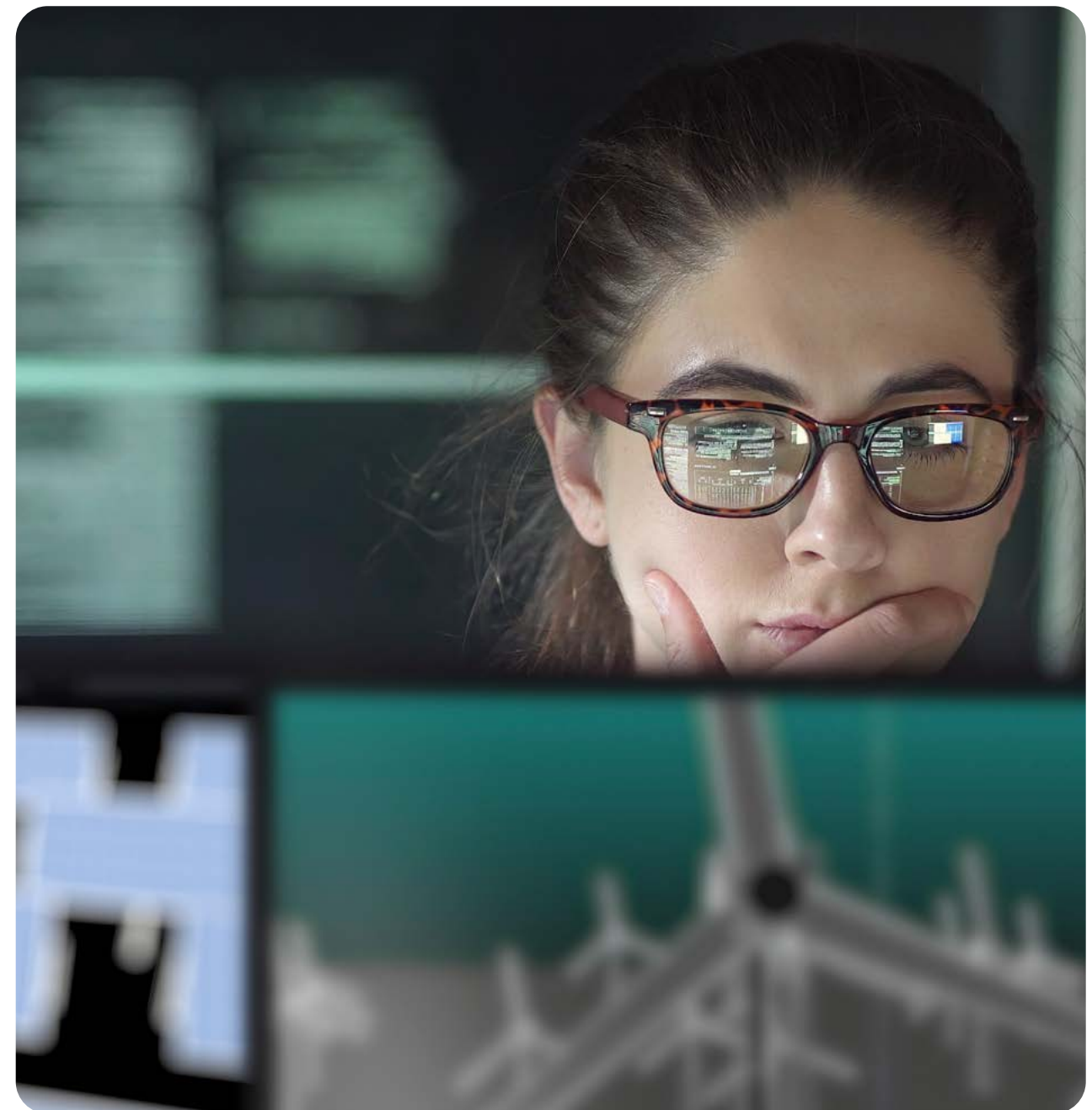
Security

The DCC continues to adapt and augment its security arrangements to match public cloud offerings and developments in AI; in addition we have also commenced investigations into the potential threats posed by quantum computing.

Our security arrangements also take into consideration the increasing scale at which the DCC network is now operating, as well as the parallel need to ensure DCC's internal security remains strong and in line with network security requirements meeting current and developing threat levels. We carried out several initiatives in 2024/25 to enhance the DCC's governance and ensure security risk within the organisation remains low: this forms part of our continuous improvement objectives, in line with ISO27001.

Looking ahead, the DCC still has more work to do in order to complete the activities it kicked off in 2024. This includes the ramping up of post-quantum computing (PQC) mitigation testing, following advice from National Institute of Standards and Technology (NIST) in the US and NCSC in the UK (the latter requiring remediation plans to be complete by 2028 and removal of vulnerable cryptographic mechanisms by 2035).

In 2025/26 we will:

1. We will continue to develop our strategic initiative that aims to identify and mitigate threats using MITRE ATT&CK threat modelling and cyber defence framework; we will also reach out to industry players to share our knowledge

2. We will build on our latest risk tooling to consolidate risk and compliance reporting and improve overall visibility of both areas

3. We plan to complete the integration and centralisation our cyber defences, creating a 'single view' to monitor the security of Britain's smart metering network

4. We will investigate and make recommendations on PQC mitigation throughout the DCC network and infrastructure

5. We will continue to invest in our people to ensure that all our employees have the skills needed to secure the digital energy system of the future; in this, we will build on our Security Degree Apprenticeship programme, which successfully launched in 2024

6. We will support and integrate AI into our tooling and controls, where appropriate and ethical to do so

Cyber Fusion Centre

Our SOC successfully retained CREST accreditation in 2024, and we are set to continue onboarding security event logs from all parts of the DCC network to provide an essential second set of eyes over the entire DCC ecosystem. In 2025/26, we will see the culmination of core monitoring across the DCC network, alongside additional logs resulting from new programmes and reprocurement of existing services that apply tooling to enhance our efficiency.

New technology risk

We are focusing on three core contemporary technology risk areas: AI, cloud, and PQC. They present unique challenges for security and technical areas, but are all being managed in a way that is commensurate with our security obligations. This will be further supported by a spirit of enablement in 2025/26 and beyond. Our view is to adopt and embrace them, but in a way that adheres to the levels of security we are required to operate under. Consequently, we will continue to iterate our policy and risk management as we adopt these new technologies, as appropriate to drive value and quality in our business.

Summary

Our overall mission remains very much consistent with previous years, but it has matured and will continue to develop in order to address upcoming threats. The model we operate under has proven to be very effective, so we remain committed to protecting it and the supporting control. Nonetheless, we are also acutely aware of the need to evolve our controls to reflect a changing technical landscape. We plan to do this through careful risk-based assessment, alongside engagement with industry and recognised security expert resources.

Our capabilities

Since the DCC was established, we have built an organisation capable of delivering complex, technology-enabled change programmes. As we have evolved, and the smart meter roll-out has progressed, we have shifted towards a more stable operating business, capable of ensuring reliable network performance on a 24/7 basis, as well as maintaining the security and resilience of a vitally important element of CNI.

Our core capabilities as an organisation include:

Security management

We provide robust end-to-end security operations, including a 24/7 SOC, threat intelligence, security information and event management (SIEM) oversight, cyber incident response, crisis management, business continuity disaster recovery assurance, and secure credentialling for the safeguarding of CNI.

Service design, management, and transition

We deliver, operate, and evolve services across their full lifecycle, including architecture design and governance, risk and change management, capacity and incident management, problem resolution and analytics, firmware and logistics coordination, testing and transition planning, and programme management for new or enhanced products and services.

Procurement and commercial planning and management

We ensure value for money, commercial control, and alignment with future business needs by developing business cases, defining product/service roadmaps, formulating procurement and customer strategies, managing contract lifecycles, overseeing supplier performance and financial operations, and enabling commercial governance to align strategic direction with operational delivery.

Regulator and governance

We maintain active and accountable engagement with regulators and government departments by identifying, managing, and resolving regulatory compliance risks, as well as aligning regulatory obligations with operational delivery.

Measuring performance

As a monopoly provider, it is essential that the DCC faces appropriate incentives to deliver high-quality services and value for money in support of the smart metering programme. This ensures consumers can fully benefit from the smart meter roll-out. The DCC's performance and financial incentives are assessed by Ofgem through our annual price control submission and OPR.

This ensures consumers can fully benefit from the smart meter rollout. The DCC's performance and financial incentives are assessed by Ofgem through our annual price control submission and the Operational Performance Regime (OPR).

The OPR incentivises DCC performance across three key areas:

1

System performance

It evaluates the reliability of DCC systems, which is critical for both the smart meter roll-out and ongoing operations

2

Customer engagement

It assesses how well DCC understands and incorporates customer needs into its decision-making

3

Contract management

It reviews how effectively DCC manages its contracts with smart metering service providers, from procurement through to closure

Looking ahead to DCC 2

We are approaching a major milestone expected in November 2026, when DCC will transition to a new regulatory model under Ofgem's evolving framework – an important step toward the end of our current licence in September 2027.

Between now and then, our focus is on three key priorities – each designed to ensure we're handover ready and delivering clear value at every stage:

- **Customer centric** – Listening and acting on customer needs, recognising the impact our performance has on system and/ or consumer led products and services

- **Value for money** – Playing our part in addressing the affordability challenge by driving greater efficiency and productivity across all elements of our cost base

- **Seamless transition** – Preparing the organisation and our stakeholders for a seamless transition to a DCC2 equipped and enabled to deliver maximum value for Great Britain

We are also investing in our people – focusing on the right capabilities and fostering an inclusive culture – so we are ready to deliver for customers and consumers alike.

We are working closely with Ofgem as they finalise the new licence structure and prepare for the next phase of DCC's journey.

Licence renewal

Ofgem is continuing its review of DCC's regulatory arrangements in preparation for the conclusion of the current licence in September 2027. In its Phase 1 Decision,[53] published in August 2023, Ofgem outlined the key features that would form the basis of the new regulatory model.

Then, in May 2024, Ofgem launched further consultation on governance, incentives, and the future of the CSS. Key developments since then include the following:

1. The company Board, including the Chair, will be independent

2. DCC's Authorised Business will operate on a not-for-profit basis

3. Core business will continue to be funded by charges on DCC users

4. DCC will transition to an ex ante price control regime from November 2026

5. The current licence will be extended by 24 months, with changes to margin and overhead arrangements

6. Mechanisms are needed to enable changes in mandatory business and provisions for reuse

7. DCC will remain a licensed entity with an outsourced contract model

8. DCC will retain responsibility for the Central Switching Service (CSS)

Ofgem will run a Request for Proposal (RFP) for the successor licence or opt for a direct award, with legislation for a direct award now passed.

Additionally, Ofgem has consulted on the scope of DCC's activities, the detailed design of new price control arrangements, and commercial flexibility in May 2025.

Governance

Having a majority independent Board with an independent Chair will minimise potential conflicts of interest. Still, we will need to ensure we have a range of skills and expertise across Board members moving forward – as we already do today. This includes expertise in risk management, the energy industry, consumer advocacy, technology, telecoms, and financial management.

Not-for-profit

DCC's Authorised Business will operate on a not-for-profit basis under the successor licence.

Ex -ante price control

DCC will move to an ex ante price control regime from November 2026. To facilitate this transition, we are refining our cost structure to ensure reporting is transparent and aligned with the services we provide.

Role and scope

DCC remains committed to delivering its Core Mandatory Business, providing secure, economical, and coordinated communication and data services for smart meters. Given the rapid evolution of the energy system, it is crucial that mechanisms are implemented to support a controlled and transparent evolution of DCC's role in line with policy objectives. Ofgem's recent consultation on the future role of the DCC provides a timely opportunity to define how our obligations could adapt to better support the net zero transition, foster innovation, and deliver enhanced outcomes for consumers. The consultation also explores how a revised set of Licence Objectives and a structured strategy-setting process could guide the Successor Licensee beyond 2027.

Switching

Since the CSS went live in July 2022, DCC has processed nearly 37 million switches, maintaining a high level of service. Ofgem has confirmed that DCC will retain responsibility for the CSS. Keeping switching within DCC ensures operational continuity, maximises economies of scale, and minimises disruption. Continued delivery by DCC therefore leverages operational synergies and serves the best interests of consumers.

Business handover

We have developed a Business Handover Plan (BHP) to support a smooth transition from one licence to another. In March 2025, we consulted customers and industry stakeholders on the BHP and submitted our final version for Ofgem's approval on 28 April 2025. This will be a key step towards gaining final approval and ensuring continuity of core services.

We remain committed to working closely with Ofgem as they finalise the structure of the successor licence, design the procurement for the next Successor Licensee, and outline detailed measures required to unlock the capability of the smart metering network for the benefit of customers and consumers.

53 DCC Review: Phase 1 | Ofgem

SECTION 5

Our key services and activities

In this section, we set out our service families and their key activities and initiatives. These reflect the services we deliver for customers and consumers across the energy market.
We also outline the internal initiatives underway to strengthen our capability – helping us operate more efficiently, respond to change, and continuously improve. Together, these activities support our strategic outcomes and ensure we can meet the evolving needs of our stakeholders.

Our final business plan due to be produced by the end of 2025 will have more detail on these activities and their associated costs.

Smart Energy   SMETS1   SMETS2   Switching   Data Services

Enabling & Testing Services   Meter Data Management   Privacy & Security   Service Management   Testing Services

Strategic Enablers   Cost Efficiency   Charging   Responsible Business   Our People Strategy   Customer First   Maximising Value

SECTION 5

Activity summary

Programme	Category	Programmes and Key Initiatives	2025	2026	2027	2028	2029
Smart Energy	SMETS1	SMETS 1 Enrolment and Adoption	███				
		SMETS1 Initial Operating Capability/Final Operating Capability (FOC)	███				
		Final Operating Capability (FOC) Application Network Security & Operations (ANSO)	███				
	SMETS2	Extending 4G to the North	███	███			
		Long Range Radio Committed Term	███	███	TBC	TBC	TBC
		Virtual Wide Area Network Solution (VWANS)	███	███			
		Device Manager Hosting and Service Provision Reprocurement	███	███	███	███	
		Next Gen Comms Hubs	███	███	███	███	
	Switching	Centralised Registration Services (CRS) Improvements	███	███			
	Data Services	Data Services	TBC				
	In-life	In-life Change (ILC)	███	███	███	███	███ Ongoing
Enabling and Testing Services	Meter Data	Future Data Service Provider (DSP) Data System	███	███	███	███	
		Market Half Hourly Settlement (MHHS)	███	███			
	Privacy and Security	Public Key Infrastructure – Enduring Services (PKI-E)	███	███	███	███	
		Dual Control Organisation (DCO) Reprocurement	███				
		Enduring Change of Supplier (ECoS)	███	███			
	Service Management	Network Traffic Management (NTM)	███	███	███	███	███ Ongoing
		Future Service Management (FSM)	███	███	███	███	
		Enhanced Returns and Disposal Process	███	███	███	███	███ Ongoing
	Testing Services	Testing Services	TBC				
	In-life	In-life Change (ILC)	███	███	███	███	███ Ongoing

Strategic enablers and organisational initiatives

Programme summary

In this section we provide further detail for each programme and initiative. For our programmes, this includes an overview providing the key information, according to the following areas:

Outcomes

Icon demonstrating which outcomes this programme is contributing to:

Secure and stable

A responsible and efficient business

Flexible and fast

Right first time

Cost

Indicates programme implementation costs. Cost scale represents:

£ <£10m

££ £10m - £50m

£££ £50m - £100m

££££ >£100m

Lifecycle stage

Which stage of the lifecycle this programme is currently:

Concept to Contract
↓
Contract to Market
↓
Market to Retire

Service family

Which service family this programme belongs to:

eg Smart Energy / Testing / Data Services

End date

Current timing for programme to completion and handover to enduring operations.

Example:

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy –SMETS1	Market to Retire	££££	2026

Smart Energy

SMETS1   SMETS2   Switching   Data Services

The Smart Energy service family underpins Great Britain's transition to a smarter, more sustainable energy system by providing secure and efficient smart metering infrastructure. It ensures the continued operation of SMETS1 meters following their migration onto the DCC network and also supports the reliable performance and interoperability of SMETS2 meters.

Seamless switching services help promote competition and consumer choice by enabling faster, more reliable changes of energy supplier. Meanwhile, data analytics support optimised energy use, cost savings, and more efficient grid management.

Ultimately, Smart Energy contributes to a more connected energy system that empowers consumers to better understand and manage their energy use, supporting the transition to a more sustainable future.

SECTION 5

Smart Energy
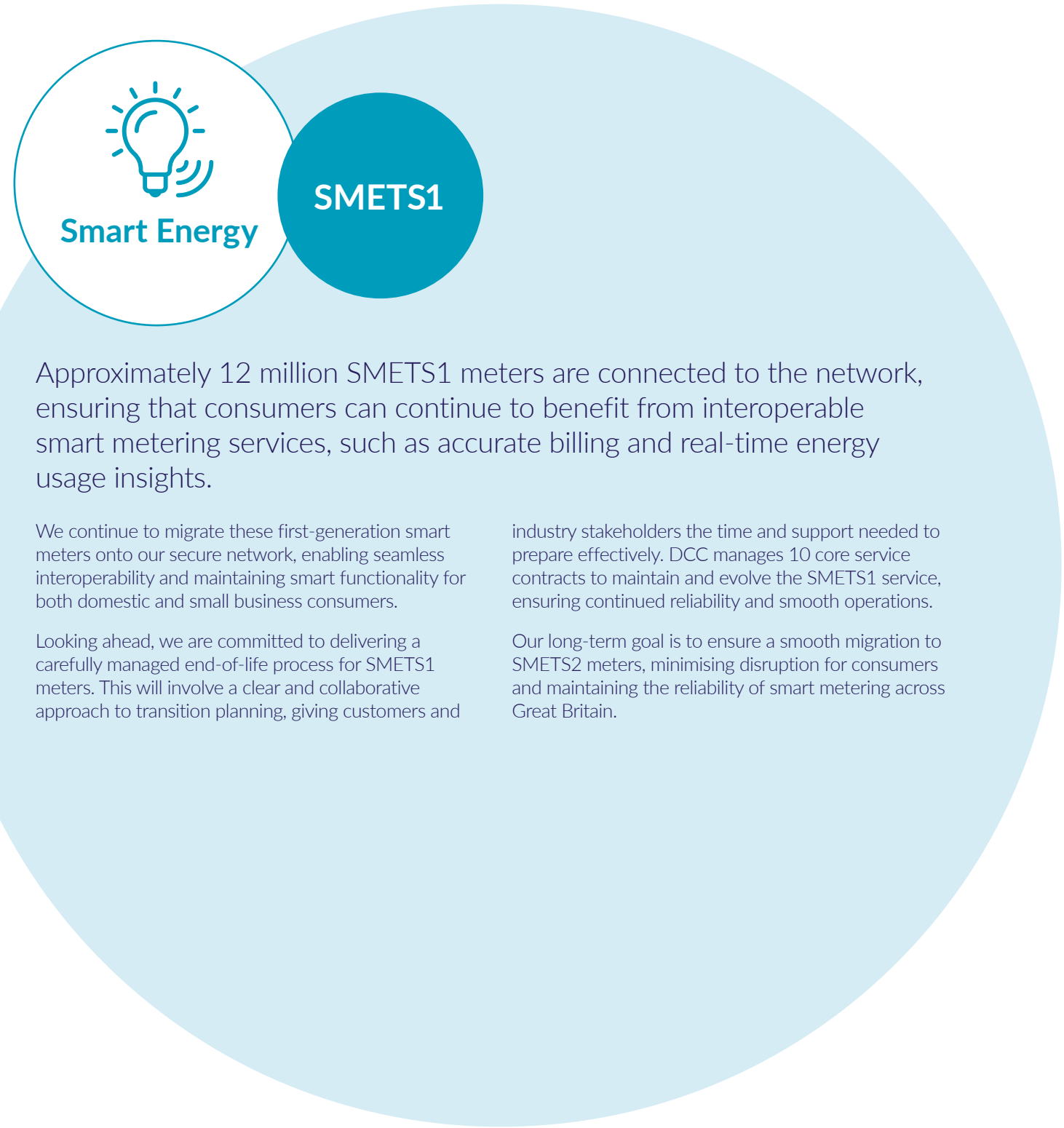
SMETS1

Approximately 12 million SMETS1 meters are connected to the network, ensuring that consumers can continue to benefit from interoperable smart metering services, such as accurate billing and real-time energy usage insights.

We continue to migrate these first-generation smart meters onto our secure network, enabling seamless interoperability and maintaining smart functionality for both domestic and small business consumers.

Looking ahead, we are committed to delivering a carefully managed end-of-life process for SMETS1 meters. This will involve a clear and collaborative approach to transition planning, giving customers and

industry stakeholders the time and support needed to prepare effectively. DCC manages 10 core service contracts to maintain and evolve the SMETS1 service, ensuring continued reliability and smooth operations.

Our long-term goal is to ensure a smooth migration to SMETS2 meters, minimising disruption for consumers and maintaining the reliability of smart metering across Great Britain.

Currently, we support approximately 12 million SMETS1 meters

Extension to end-2025 to onboard c900,000 pre-payment meters

DCC manages 10 core service contracts to maintain and evolve the SMETS1 service

The following section highlights the key programmes and activities that support the continued delivery and evolution of SMETS1 services.

SMETS1 enrolment and adoption

SMETS1

Enabling the migration of more than 15 million first-generation SMETS1 smart meters onto the DCC network

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy – SMETS1	Market to Retire	£	2025

What is the programme?

The SMETS1 Enrolment and Adoption Programme is enabling the migration of more than 15 million first-generation SMETS1 smart meters onto the DCC network, where they will become fully interoperable between energy suppliers.

The programme is complex and technically challenging, involving multiple hardware and software combinations that operate in a live environment. The migration and operation of each cohort has required the deployment and integration of a new platform. All cohort migration capabilities went live between August 2019 to February 2021.

Why is it important for customers and, ultimately, consumers?

Migration will allow consumers to change energy suppliers without losing smart functionality. The objective is to support competition in the retail market and allow consumers to enjoy the full benefits of products and services that depend on smart metering. Migration also extends the operating life of first-generation metering assets, ensuring value for money and reducing waste.

What's next?

Energy suppliers are obliged by the terms of their licences to have taken all reasonable steps to enrol SMETS1 meters onto the DCC network by September 2025, with three months to complete closure activities. We are therefore preparing for the closure of the DCC's Migration Service. The key activities for SMETS1 in 2025 include:

1. Working with our remaining customers to complete migration of outstanding devices

2. Requesting party closure for the Secure Cohort once all migration has been completed

3. Facilitating certificate rotation in Final Operating Capability (FOC) to allow devices to continue to operate to end of life

SMETS1 Initial Operating Capability and FOC

SMETS1

Planning for continued communications support for over 7 million SMETS1 meters as the current service approaches end of life

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy – SMETS1	Concept to Contract	£ £ £ £	2025

What is the programme?

The current Communications Service Provider (CSP) for Initial Operating Capability (IOC) and FOC is Vodafone, whose contract expires in March 2029. Without a replacement CSP service, SMETS1 meters will lose communication functionality and revert to 'dumb' mode.[54] This programme is assessing the available options for providing ongoing communications services.

Why is it important for customers and, ultimately, consumers?

The IOC and FOC SMETS1 service supports around 7.5 million households across Great Britain, helping them access the benefits of smart metering such as accurate billing, near real-time consumption data, and easier switching. As the service approaches its end of life, expected between 2029 and 2033, there is a critical need to manage the transition in a way that safeguards these benefits for consumers.

This means balancing a range of considerations, including performance, value for money, and the need to maximise the useful life of SMETS1 meters. Extending the service provides the time needed to plan and implement replacement programmes efficiently.

What's next?

Following the successful contract signature with Vodafone, DCC has secured an extension to the IOC and FOC SMETS1 service through to 2033 and received a non-objection to the Green Book business case. This ensures continued operation of approximately 7.5 million devices and gives customers sufficient time to transition to new 4G solutions ahead of the national 2G sunset. DCC will now work with customers and government to plan for the end of this critical communications service.

54 'Dumb' mode is a term used to describe the back-up state a smart meter enters when it loses communications with the outside world. In dumb mode, smart meters provide the basic functionality available via non-smart energy meters, but cease to offer smart metering functions (e.g. automatic meter reading).

FOC Application Network Security and Operations reprocurement

SMETS1

Re-procuring the FOC ANSO service to ensure secure, efficient communications for around 4.5 million SMETS1 meters beyond 2025

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy – SMETS1	Market to Retire	£ £	2025

What is the programme?

The FOC Application Network Security & Operations (ANSO) service ensures secure, efficient, and compliant communication for approximately 4.5 million smart meters, thereby giving consumers continued access to smart metering services. The FOC ANSO contract has been competitively reprocured and is currently progressing through the approval process to ensure long-term value, performance, and continuity for customers.

Why is it important for customers and, ultimately, consumers?

Reprocuring the service is essential to ensure that consumers continue to benefit from smart metering – and that DCC remains compliant with licence obligations related to the operation of the SMETS1 service.

The reprocurement process also presents an opportunity to modernise the service, with potential improvements to scalability, performance monitoring, and overall infrastructure resilience. Additionally, current market conditions offer the potential to secure greater value for money, ensuring that smart metering services remain efficient and sustainable as the sector evolves.

What's next?

Reprocuring the service is essential to ensure that consumers continue to benefit from smart metering – and that DCC remains compliant with licence obligations related to the operation of the SMETS1 service.
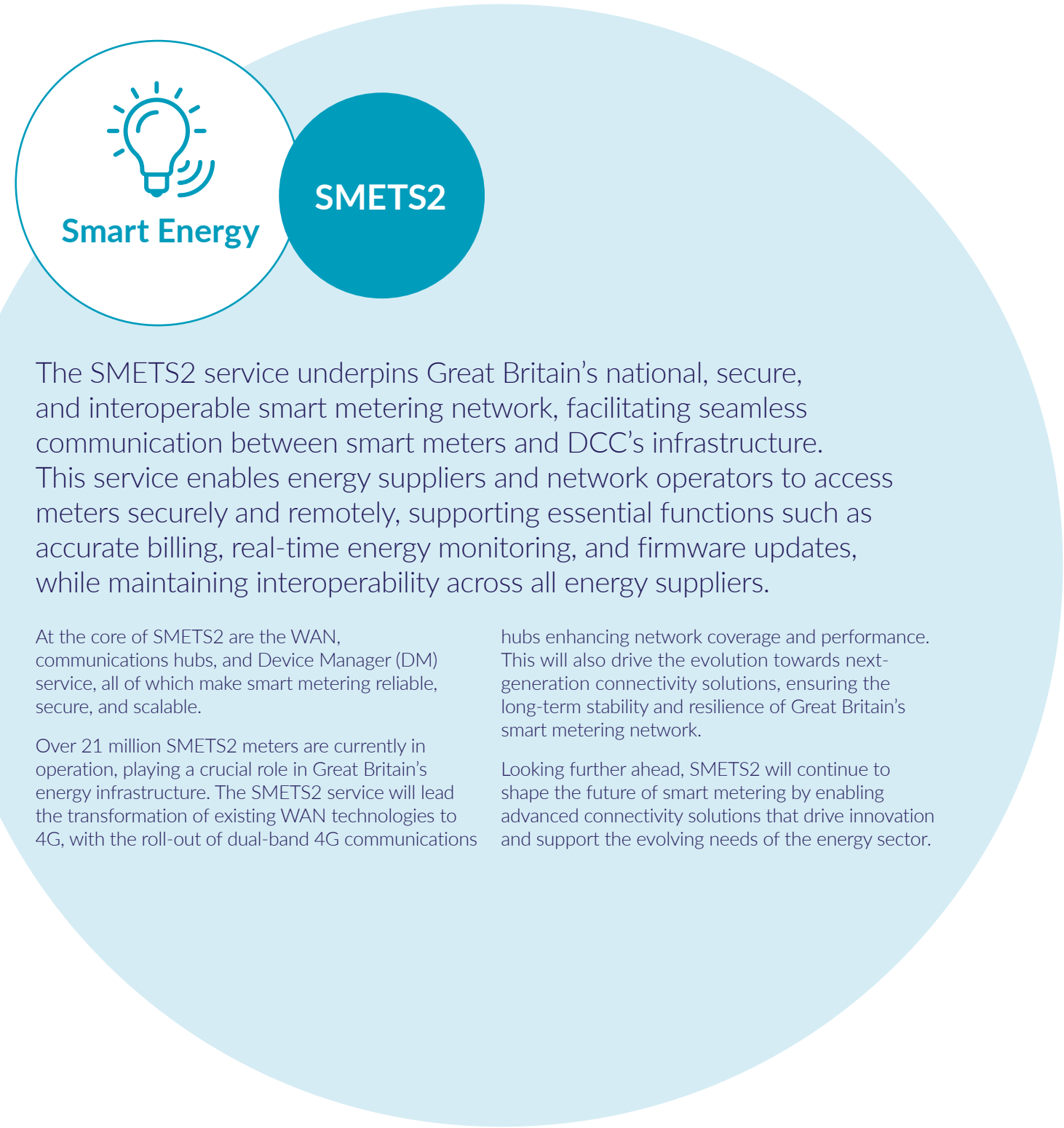
The reprocurement process also presents an opportunity to modernise the service, with potential improvements to scalability, performance monitoring, and overall infrastructure resilience. Additionally, current market conditions offer the potential to secure greater value for money, ensuring that smart metering services remain efficient and sustainable as the sector evolves.

Smart Energy

SMETS2

The SMETS2 service underpins Great Britain's national, secure, and interoperable smart metering network, facilitating seamless communication between smart meters and DCC's infrastructure. This service enables energy suppliers and network operators to access meters securely and remotely, supporting essential functions such as accurate billing, real-time energy monitoring, and firmware updates, while maintaining interoperability across all energy suppliers.

At the core of SMETS2 are the WAN, communications hubs, and Device Manager (DM) service, all of which make smart metering reliable, secure, and scalable.

Over 21 million SMETS2 meters are currently in operation, playing a crucial role in Great Britain's energy infrastructure. The SMETS2 service will lead the transformation of existing WAN technologies to 4G, with the roll-out of dual-band 4G communications

hubs enhancing network coverage and performance. This will also drive the evolution towards next-generation connectivity solutions, ensuring the long-term stability and resilience of Great Britain's smart metering network.

Looking further ahead, SMETS2 will continue to shape the future of smart metering by enabling advanced connectivity solutions that drive innovation and support the evolving needs of the energy sector.

Over 21 million SMETS2 meters are currently in operation

SMETS2 will lead the transformation of existing WAN technologies to 4G

Drive the evolution towards next-generation connectivity solutions

The following section highlights the key programmes and activities that support the continued delivery and evolution of SMETS2 services.

Extending 4G to the North

SMETS2

Delivering long-term connectivity for smart metering in the North, supporting future growth and improved service performance

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy - SMETS2	Contract to Market	£	2025

What is the programme?

Extending 4G to the North is focused on ensuring a sustainable smart metering connectivity infrastructure in the northern region of Great Britain. This initiative will deliver the connectivity technology needed to scale the DCC network in the north, with the goal of supporting up to 10.5 million premises.

Why is it important for customers and, ultimately, consumers?

This programme is essential for enhancing smart meter services in the northern region. It will ensure consumers continue to benefit from smart metering. Moreover, it will enable the continued roll-out of smart meters beyond 5 million premises, extending these benefits to even more households and businesses.

The project also provides the certainty needed for customers to develop long-term plans, allowing for a structured and well-managed approach to smart meter deployment and future service improvements. The deployment of 4G will bring enhanced network performance, improved service levels, and a platform for future technological advancements. Additionally, a competitive and efficient connectivity solution will help drive value for money, delivering benefits not just for customers but for end consumers as well.

What's next?

The 4G service in the North successfully went live on 30 May. Full transition to operational support is expected to be completed by the end of July.

Long Range Radio

SMETS2

Assessing long-term options for LRR connectivity in the North to ensure continued, reliable smart metering services

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy – SMETS2	Concept to Contract	£ £ £ £	2026

What is the programme?

In the northern region, smart metering connectivity is currently delivered through long-range radio (LRR) infrastructure. The existing contract set to expire in 2028, with an option to extend to 2033. The Long-Range Radio Committed Term programme is set to evaluate the future of LRR connectivity, assessing all available options, and developing a business case that aligns with DCC's long-term strategic objectives and the evolving needs of the energy industry.

Why is it important for customers and, ultimately, consumers?

Ensuring long-term service continuity in the north is critical for both customers and consumers. This programme will define the future of the LRR network, allowing customers to plan their operations, logistics, and future smart metering deployments with confidence, as well as maximising the asset life of LRR-installed meters.

What's next?

A governance structure is already in place, and DCC is actively engaging customers and stakeholders on the details of the business case. To facilitate collaboration and build support for the preferred option, DCC has established a Customer Working Group, with members nominated by Industry and SEC. Key milestones in this phase include delivering the OBC by August 2025, followed by the FBC by December 2025.

Virtual Wide Area Network (VWAN)

SMETS2

Developing a solution to connect smart meters in homes and businesses currently without network coverage

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy - SMETS2	Contract to Market	£ £	2026

What is the programme?

The goal of the Virtual Wide Area Network Solution (VWANS) is to develop a solution that extends smart metering services to properties that fall outside the coverage area of the current WAN. This service aims to address areas without cellular or radio coverage, which means smart meters cannot be installed in certain premises. With consumer consent, the service will use the given household's home internet connection to establish smart meter connectivity, ensuring a full smart metering experience. Our next-generation 4G communications hubs, launched in December 2024, will play central role in the development and roll-out of the VWAN.

Why is it important for customers and, ultimately, consumers?

As consumer demand for smart meters grows, the lack of network coverage in certain areas has become a significant barrier. In locations where there is no WAN, residents are unable to benefit from the advantages of a smart meter.

The VWAN aims to overcome the challenge of no-WAN premises, initially addressing approximately 328,000 premises, with potential for scalability. Energy suppliers have shown strong support for the rapid development and delivery of this solution. While the programme is focused on resolving specifically no-WAN issues in the short term, it also presents a potential longer-term solution for areas with poor WAN coverage, improving access to smart meters for consumers who wish to have one.

What's next?

The programme is in the design, build, and testing phase. DCC's target is to soft launch the solution with a select group of customers in Q1 2026.

Device Manager Hosting and Service Provision Reprocurement

SMETS2

Re-procuring the Device Manager service to ensure secure, efficient management and continuity of 4G Communications Hubs

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy – SMETS2	Concept to Contract	£ £	2028

What is the programme?

The Device Manager Hosting and Service Provision Reprocurement programme will conduct a full, competitive reprocurement for the 4G CH&N DM service.

Why is it important for customers and, ultimately, consumers?

The DM oversees the operation, maintenance, security, and compliance of communication devices within the 4G CH&N service.

By running a competitive procurement, DCC seeks to leverage insights from past operational performance, to drive performance improvements and better value for money. This process presents an opportunity to refresh the service, optimise operational efficiency, and enhance long-term stability for customers. The DCC will also ensure continuity of service for customers during this period.

What's next?

DCC will begin by conducting a thorough options analysis, considering the feasibility of rebuilding the application software versus migrating existing services. This will then be followed by business case development (including stakeholder engagement), a full procurement process, and engagement with DESNZ and Ofgem to gain acceptance on the proposed approach. Once procurement is complete, DCC will manage all necessary activities that ensure continuity of service throughout. The entire programme will be delivered ahead of the November 2028 contract breakpoint.

Next Gen Comms Hubs

SMETS2
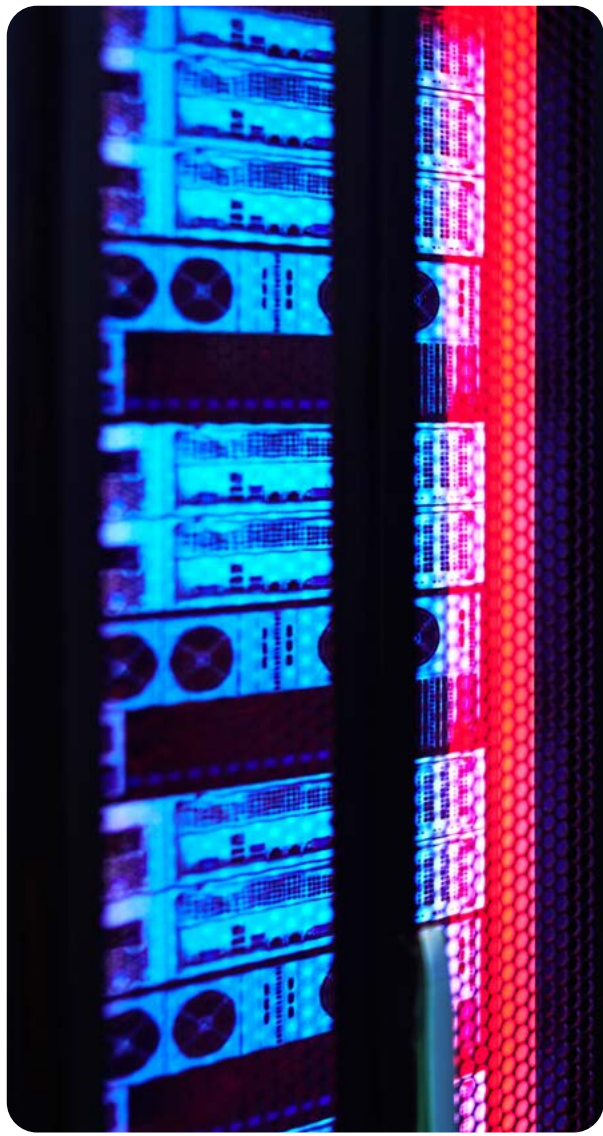
Designing and developing next-generation communications hubs to future-proof the smart metering network and enhance resilience

Outcomes	Service family	Lifecycle stage	Cost	End date
	Smart Energy - SMETS2	Concept to Contract	£ £	2028

What is the programme?

The Next-Gen Comms Hubs programme will design, develop, and establish a supply chain for the next generation of communications hub hardware and firmware. DCC is taking a proactive approach to address the obsolescence risk associated with the current 4G communications hubs, which could sunset in the early 2040s, though as of yet there are no known dates for this.

To future-proof the network, the programme will introduce new communications technologies, as agreed through broad stakeholder engagement to ensure they are as technologically advanced and economically viable as possible. The programme will explore options to diversify supply chain by contracting multiple suppliers, reducing the risk of dependency on a single provider. This will enhance resilience and encourage competition.

Why is it important for customers and, ultimately, consumers?

This programme is vital for maintaining the long-term continuity and stability of the smart metering network, ensuring customers can confidently plan for the full asset life of the communications hubs. By proactively developing next-generation communications hubs, DCC aims to ensure a smooth transition to future connectivity technologies and maintain continuous service availability.

For customers, this programme offers greater long-term certainty, enabling more confident forward-planning and investment. The introduction of a diversified supply chain will reduce the risk of service disruption, while competition will help ensure value for money.

While the programme centres on maintaining existing services, customers may also benefit from potential new functionality, such as enhanced encryption standards (e.g. quantum-resistant algorithms), which will strengthen security.

What's next?

DCC started the discovery exercise in April 2025 to understand and agree on industry and customer requirements, including potential benefits for DNOs. This will be followed by an options analysis and the development of a Strategic Outline Case in Q3 2025, with an OBC and an FBC to follow, in line with His Majesty's Treasury Green Book standards.

SECTION 5

Smart Energy
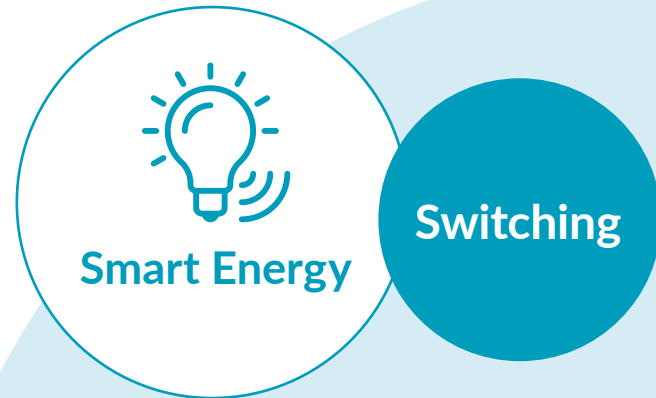
Switching

The delivery of faster, more reliable switching was a significant milestone in the transformation of the retail energy market. It delivered a foundation for increased competition and innovation, leading to improved consumer value, experience, and engagement with the market.

As Ofgem's key delivery partner, we designed and built the CSS, which has been in operation since July 2022. DCC managed the consolidation of 28 new and existing systems and the integration of around 200 licensed parties into the CSS. Since then, we have facilitated over 36 million switches, allowing consumers to access lower bills and improved service quality.

With a 100% availability rate in 2024, the CSS continues to ensure reliable, efficient switching services across the market.

Following Ofgem's decision to keep the switching service within DCC, we are now focused on delivering enhancements that maintain the high standards of performance demonstrated since the go-live phase.

Facilitated over 36 million switches

Offering consumers potential for lower bills and improved service quality

100% availability rate in 2024

The following section outlines the Centralised Registration Services Improvements Programme, which drives ongoing enhancements to the Switching service.

Centralised Registration Services (CRS) Improvements

Switching
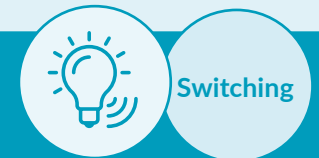
What is the activity?

DCC and Retail Energy Code Company (RECCo) are working together to scope, build, and deliver a CRS improvement plan that aligns with customer needs and tangibly enhances the service. The plan is centred on five key areas: incident management, change management, engagement and communications, reporting, and data quality.

Why is it important for customers and, ultimately, consumers?

The improvement plan will enhance the service to continue meeting evolving customer needs and support more effective use of the switching platform. It will build on what already works well, while refining elements of the service that have not kept pace with how customers now wish to use it. Ultimately, it will ensure DCC continues to deliver an effective and efficient service which provides value for money for its customers.

What's next?

The improvement plan is currently in development. We are engaging with customers around its content and intent to ensure it effectively meets their expectations. DCC and RECCo shared the plan with Ofgem in mid-April, aiming to deliver improvements throughout 2025/26.

SECTION 5

Smart Energy / Data Services
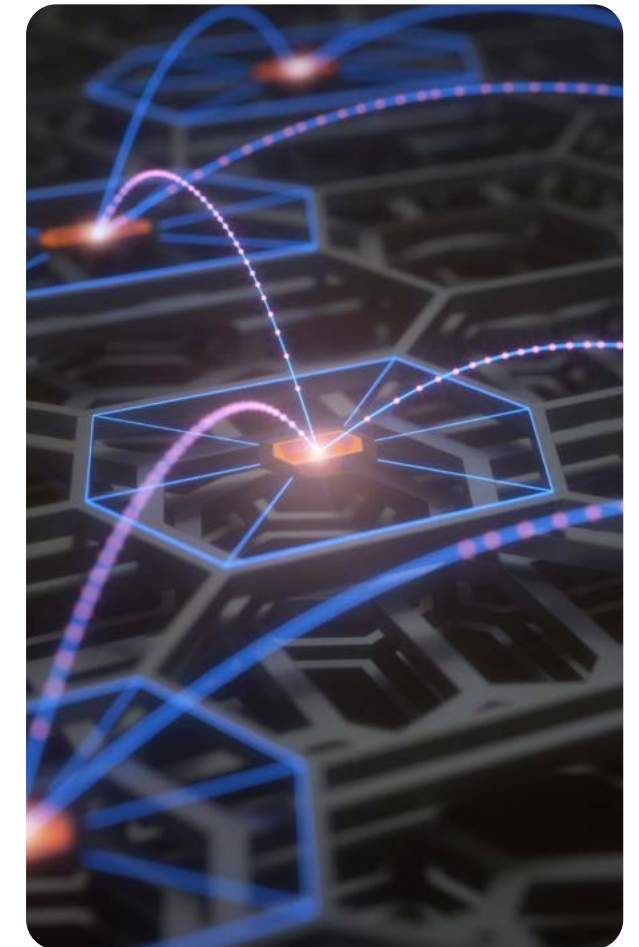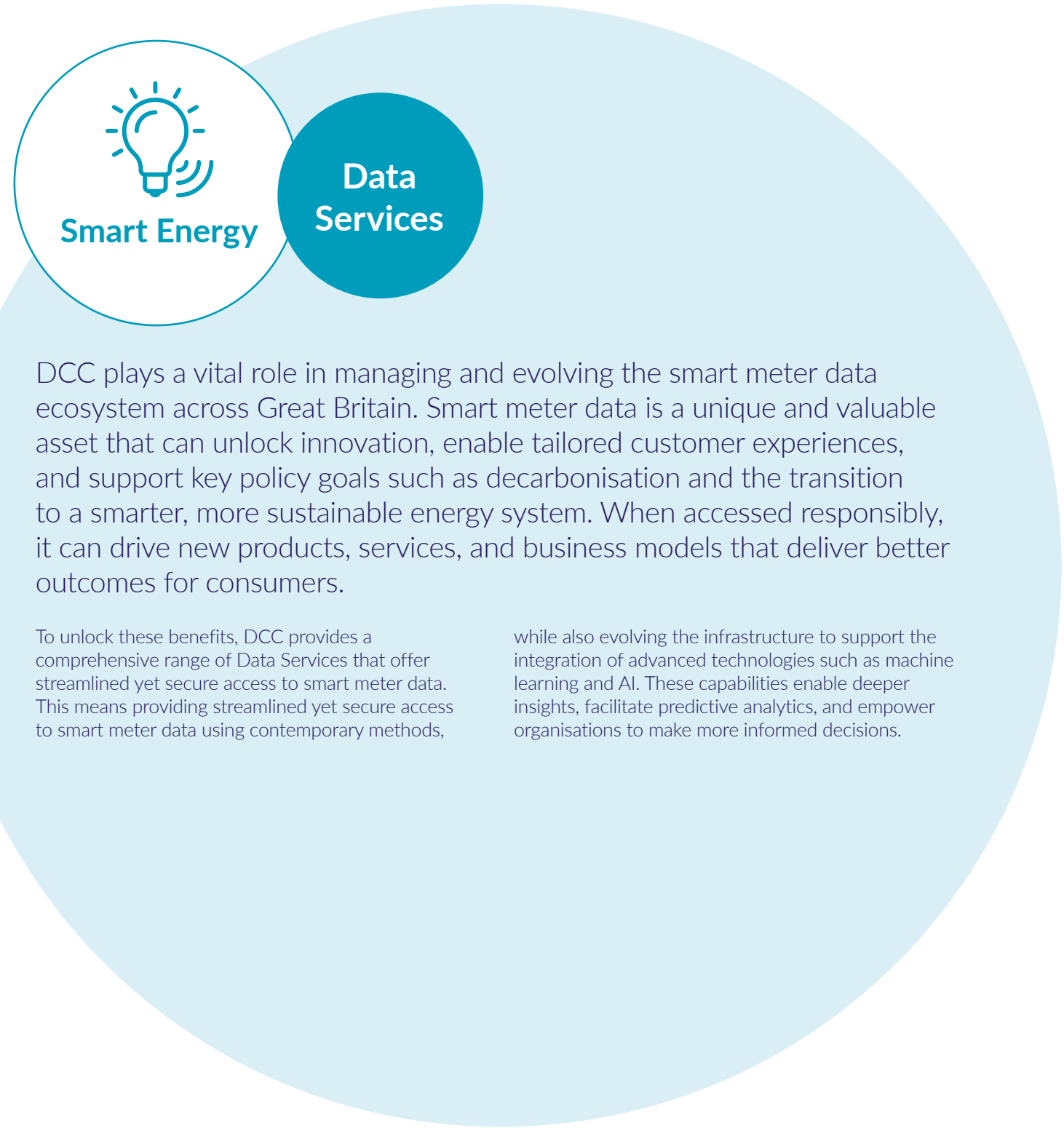
DCC plays a vital role in managing and evolving the smart meter data ecosystem across Great Britain. Smart meter data is a unique and valuable asset that can unlock innovation, enable tailored customer experiences, and support key policy goals such as decarbonisation and the transition to a smarter, more sustainable energy system. When accessed responsibly, it can drive new products, services, and business models that deliver better outcomes for consumers.

To unlock these benefits, DCC provides a comprehensive range of Data Services that offer streamlined yet secure access to smart meter data. This means providing streamlined yet secure access to smart meter data using contemporary methods, while also evolving the infrastructure to support the integration of advanced technologies such as machine learning and AI. These capabilities enable deeper insights, facilitate predictive analytics, and empower organisations to make more informed decisions.

Enabling third parties to use smart meter data for innovation and consumer benefit

Unlocking network data to improve transparency and service performance.

Secure data access to support growth and a low-carbon energy system

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Data Services

In June 2025, Ofgem published consultations on the future role of the DCC and expanding Data Best Practice as a Code Obligation. Both of these documents outlined the intention to expand Energy Data Best Practice Guidance to the Smart Meter Communication Licence, an obligation DCC is supportive of as we seek to enable maximum value from a unique national asset.

Data best practice provides a set of overarching principles and underlying artefacts. While we have already started to deliver against some of these (with two examples outlined below), there is further work to do as we mature our understanding and capability across the different areas. Our data services family is therefore at an early stage of development, but as our adoption of these principles matures we expect to make a material contribution to greater use and impact from smart meter data.

Key activities	Benefits	What's next?
Refining access for Other Users We are improving the accessibility of smart meter data for authorised third parties, known as 'Other Users'. By enhancing the functionality of this access, we will enable more organisations to leverage data-driven insights in the development of innovative solutions that benefit consumers and the wider energy market. DCC is developing a digitised customer onboarding portal to provide a simplified, centralised route for new users of the DCC network to access DCC user roles, starting with the Other User role.	• Improved customer experience • Reduced onboarding times • Reduced costs for onboarders and DCC • Improved pipeline reporting • Increased innovation in the energy sector and beyond through increased access to the smart metering network	The new onboarding portal should go live at the end of 2025, with extensions to all user roles to be completed over 2026.
Expanding access to system data We are increasing access to smart meter 'system data' – in other words, the detailed audit trail of messages transmitted across the network. This expanded access will improve transparency and provide valuable information that can drive service improvements, support regulatory compliance, and enhance customer experience. DCC is seeking to maximise access to smart meter system data to enable public benefit. This includes establishing how many use cases could be supported, the associated data requirements, and an accompanying access regime. In parallel, DCC is preparing to adopt the terms of the Energy Data Best Practice Guidance (EDBPG), which will require it to treat smart meter system data as 'presumed open'.	• Innovation and public benefit through access to underutilised data from the smart meter system • Maximum data access (including open data) and improved data services through adoption of EDBPG principles • Increased efficiency through streamlined data governance and a 'trust framework' approach	Decision on next steps for the SMEDR is expected Q2 or Q3 2025.

Enabling & Testing Services

Meter Data Management

Privacy & Security

Service Management

Testing Services

Enabling and Testing Services ensure the security, efficiency, and performance of the smart energy network. They encompass Meter Data Management for accurate billing, Service Management for continuous operation, and Privacy and Security for threat protection. Rigorous testing validates updates and new technologies, ensuring reliability and compliance. Together, these services underpin a resilient and future-ready smart energy ecosystem.

Enabling & Testing Services

Meter Data Management

Through seamless integration with energy networks, these services facilitate the continued provision of a stable and secure energy system, promoting greater transparency and enabling more effective demand-side management.

Meter Data Mangement (MDM) facilitates the secure and reliable collection, transmission, and processing of data, providing stakeholders with the insights they need to make informed choices that improve operational efficiency and customer experience. Furthermore, MDM supports compliance with regulatory standards and provides actionable insights that can drive innovation in energy services.

Collection, secure transmission, and reliable processing of data

Stakeholders can make informed choices that improve operational efficiency and customer experience

Greater transparency and effective demand-side management

The following section highlights the key programmes and activities that support the continued delivery and evolution of MDM services.

SECTION 5

Future DSP Solution

Transforming the DSP Data System to deliver a future-proof, flexible, and resilient data service for millions of smart meters

Meter Data Management

Outcomes	Service family	Lifecycle stage	Cost	End date
	Enabling and Testing Services – Meter Data Management	Contract to Market	£ £ £ £	2028

What is the programme?

The DSP system sits at the heart of the smart metering infrastructure, providing data services that connect energy suppliers to devices at their consumers' premises. It represents a central facility that controls the flow of messages to and from smart meters, enabling critical functions to take place, such as prepayment meter top-up, data collection for energy supplier billing, and support for new industry-wide innovations.

It is essential that the DCC's DSP system continues to provide a future-proofed solution that remains effective and adaptable in the face of evolving technological, regulatory, and market changes.

Why is it important for customers and, ultimately, consumers?

The DCC ensures the maintenance and continuity of critical services, while also securing value for money for customers. The DSP system ensures this very continuity, with a reliable service that meets the needs of customers by improving the pace and cost of delivering industry change. The use of more flexible technology also lowers customers' operation costs and enables future reuse of the network for new services.

Specifically, the programme provides the following benefits:

- Improved performance, with sigificnatly reduced downtime and service outages

- Self-serve gives authorised customers improved data access, diagnostics, and development of elective services

- Contested in-life change reduces time and cost for testing, modifications, and new feature development

- Continuity of service is maintained throughout

What's next?

The current DSP system is provided by a single provider whose contract is due to expire in October 2028. In December 2023, it was determined that this reliance on a single provider was no longer tenable from a technical, commercial, or risk perspective. Therefore, in consultation with industry, DCC initiated a competitive procurement process to engage multiple service providers and disaggregate the DSP.

In March 2025, the DCC signed contracts with three new vendors to provide DSP Core Services, and another to provide DSP Systems Integration. All of them are expected to drive significant efficiencies and deliver value for money, resulting in positive commercial outcomes for stakeholders.

The aim is to complete an initial blueprint design by the end of 2025, after which the design, build, and testing process will take place in stages. The Future DSP Solution is expected to be deployed in early 2028. All devices are planned to be fully migrated by the end of that year.

Market-wide Half-Hourly Settlement

DCC is supporting the industry wide MHHS programme

Meter Data Management

Outcomes	Service family	Lifecycle stage	Cost	End date
	Various	Contract to Market	£ £	2026

What is the programme?

Market-wide Half-Hourly Settlement (MHHS) is an industry-wide initiative, for which DCC is delivering a series of capabilities. Electricity settlements and trading works are using half-hourly interval data today. However, most domestic and smaller non-domestic meter points are settled on a non-half-hourly basis. MHHS will contribute to a more cost-effective electricity system, with more flexible use of energy and lower consumer bills. This opportunity has been made possible by the roll-out of smart meters, which can capture half-hourly data and transmit it back to the supplier.

DCC supports industry in the delivery of MHHS, specifically through the following capabilities:

- Creation of the Meter Data Retriever role and associated SEC and REC changes

- Additional network management for increased network traffic associated with MHHS

- End-to-end functional Systems Integration Testing (SIT) and migration of suppliers to MHHS

Why is it important for customers and, ultimately, consumers?

Through MHHS, energy suppliers will be able to see the exact half-hourly costs of customer consumption patterns. This will encourage electricity suppliers to offer time-of-use tariffs, which in turn will incentivise consumers to shift their consumption to times when energy is cheap. All of this will protect electricity networks by managing levels of demand.

What's next?

End-to-end functional SIT commenced in March 2024 and is due to run for 18 months, ensuring that the full industry-wide solution is ready for the start of migration to MHHS in October 2025. Alongside testing, DCC is working with suppliers to deliver the increased capacity required, which must also be in place ahead of the start of industry migration in October 2025.

SECTION 5

Enabling & Testing Services

Privacy and Security

The Privacy and Security service family encompasses a range of critical functions designed to safeguard the integrity, privacy, and security of the smart metering network. These functions ensure compliance with the SEC, DCC's licence, and other relevant regulations. They protect sensitive data and maintain service continuity.

This service family also supports the resilience of internal systems, including cloud environments and operational tools. Additionally, it plays a key role in business continuity and disaster recovery, delivering uninterrupted service and effective response to security incidents.

The scope of Privacy and Security extends to the entire smart meter ecosystem, from SMETS1 and SMETS2 devices to communications hubs, with a focus on securing end-to-end systems and data flows. Through continuous monitoring and proactive measures, it ensures protection of consumer information as it transits the DCC network, maintaining the privacy and security of all interactions within the system, from device communication to cloud and internal system access control.

Ensure the integrity, security, and availability of the smart metering network

Support the resilience of internal systems

Ensure protection of consumer information as it transits the DCC network

The following section highlights the key programmes and activities that support the continued delivery and evolution of Privacy and Security services.

Public Key Infrastructure – Enduring Services

Provides cryptographic services to the smart metering infrastructure to ensure security

Privacy and Security

Outcomes	Service family	Lifecycle stage	Cost	End date
	Enabling and Testing Services – Privacy and Security	Contract to Market	£ £	2028

What is the programme?

The Trusted Service Provider (TSP) provides cryptographic services for smart metering infrastructure. The Public Key Infrastructure – Enduring Services (PKI-E) programme aims to introduce an enduring public key infrastructure platform. The new solution will be delivered with minimal impact to our customers and DCC's live services and programmes. In establishing the programme, the DCC will mitigate end-of-life risk, while also developing a long-term platform that will provide the required levels of security, flexibility, and cost-efficiency needed to support both core services today and enhanced DCC capabilities in the future. The new services will be designed to respond to emerging security needs over the next 10 years.

Why is it important for customers and, ultimately, consumers?

The TSP provides fundamental smart metering services, such as Smart Metering Key Infrastructure and Infrastructure Key Infrastructure, which issue digital certificates for DCC users and smart meters. The current platform is designed to meet required levels of security and efficiency – and in this new iteration (PKI-E), it will be mostly moved to the cloud. This change will enhance flexibility and portability for future changes to or expansion of the platform.

What's next?

The programme moved directly from the procurement phase at the end of March into detailed design, with the aim of delivering the enduring service from the start of Q2 2026.

Dual Control Organisation reprocurement

Ensuring continued secure and reliable operation of SMETS1 meters by reprocurement of the critical DCO security platform

Privacy and Security

Outcomes	Service family	Lifecycle stage	Cost	End date
	Enabling and Testing Services – Privacy and Security	Concept to Contract	£ £	2025

What is the programme?

The SMETS1 Dual Control Organisation (DCO) is a security application designed to detect potential compromises in SMETS1 Service Providers (S1SPs) and prevent mass meter attacks. It achieves this through anomaly monitoring and cryptography, offering Key Management and a 'Detect and Prevent' mirroring service. This prevents any S1SP from being the single compromised point and thereby provides a stable and secure platform for SMETS1 services.

A competitive DCO reprocurement process was initiated to select new service providers to host and operate the existing DCO application on a new platform. This ensures service continuity, stability, and cost-effectiveness throughout the remaining lifecycle of SMETS1 meters.

The reprocured DCO service comprises three core contracts:

1. Hosting: to secure infrastructure for the DCO platform

2. Management services: to provide operational oversight, including monitoring and issue resolution

3. Application support: to maintain bespoke DCO software

Why is it important for customers and, ultimately, consumers?

Reprocuring the DCO is critical to ensuring the stability and security of SMETS1 meter operations. As these meters will remain in service until their anticipated end of life between 2029 and 2033, maintaining secure and reliable communications for DCC's energy customers and consumers, including prepay users, remains operationally essential.

DCC's procurement process was targeted but competitive. With the aim of driving value for money, minimising operational risks, and accelerating the in-service date, the competition was restricted to nine suppliers already delivering live services.

DCC's supplier review and use of Gartner's pricing tool led to £2.7M in immediate savings and projected £19.21M savings by 2029 through improved contract terms."

The total investment across the reprocured DCO contracts is projected at £170.5 million.

By securing these contracts, DCC ensures long-term stability and security for SMETS1 meters, while delivering cost-efficiencies for its customers.

What's next?

The DCO reprocurement programme will now progress through key milestones, with full deployment targeted by October 2025.

- High-level design approved – 6 May 2025

- Solution build commenced and test plans in place – 31 July 2025

- Design, build, and test complete, ready for go live – 22 September 2025

SECTION 5

Enduring Change of Supplier (ECoS)

Enhance security when consumers are switching from one energy supplier to another

Privacy and Security

Outcomes	Service family	Lifecycle stage	Cost	End date
	Enabling and Testing Services – Privacy and Security	Market to Retire	£ £	2026

What is the programme?

The Change of Supplier (CoS) process enables the secure replacement of supplier certificates when a consumer switches energy providers. Initially, a temporary solution was used during the smart meter rollout. Now, the focus is on transitioning to a more resilient and secure Enduring Change of Supplier (ECoS) system. ECoS will centralise and validate the change of supplier events, improving the security and efficiency of the process.

Why is it important for customers and, ultimately, consumers?

ECoS makes switching energy suppliers smoother, faster, and more secure for consumers. By separating the change of supplier function from the DSP, we have strengthened security and protection of consumer data, aligning with the smart metering trust model. For customers, this means a more reliable and efficient switching process, reducing the risk of errors or delays. The programme was delivered under budget, and by decommissioning the Transitional Change of Supplier (TCoS) solution, we have reduced ongoing costs, helping to keep industry expenses lower and benefitting consumers in the long run.

What's next?

ECoS as a service went live in summer 2023; since then the TCoS has been decommissioned and the TCoS security keys transferred to ECoS. The ECoS solution's roadmap is now focused on managing TCoS credentials out of supply chain and production, as well as ongoing maintenance of the service.

Moving forward, our goals centre on the following landmarks:

- ECoS post-commissioning obligations to be applied – Q2 2025

- Manual rotation of any legacy TCoS certificates in production – Q3 2025

- New manufacturing certificates to be made available to device manufacturers – Q4 2025

- Performance and capacity improvements – Q4 2025

Enabling & Testing Services

Service Management

Service Management is a critical function ensuring the effective governance, delivery, and continuous improvement of the Smart Utility Service. It provides a structured framework for managing service operations and delivering reliability, security, and efficiency. By overseeing service providers, supply chain logistics, and operational processes, Service Management ensures that DCC is consistently meeting optimal customer outcomes, in alignment with best practices.

This service family also covers:

Network Management, which provides governance on the Smart Utility Service, ensuring alignment with Information Technology Infrastructure Library (ITIL) best practices. It drives service reliability, security, and efficiency by standardising provider operations and streamlining customer engagement.

Provisioning and Logistics, which organises the provision of communications hubs through customer forecasting and ordering, as well as supporting the returns of these communications hubs for triage and eventual disposal.

Reporting and Analytics, which delivers timely, data-driven insights, enhancing visibility in the smart metering ecosystem and enabling better forecasting, resource management, and customer engagement.

This capability is being enhanced through DCC's migration to a modern cloud-based data platform and the launch of a new customer reporting portal, which will provide more accessible and interactive reports to support better decision making.

Effective governance, delivery, and continuous improvement of the smart utility service

Provides a framework for managing service operations

Customer outcomes are consistently met in alignment with best practices

The following section highlights the key programmes and activities that support the continued delivery and evolution of Service Management services.

SECTION 5

Network Traffic Management

Support the efficient management of the network, ensuring we have capacity available in the right place and at the right time

Service Management

Outcomes	Service family	Lifecycle stage	Cost	End date
	Various	Market to Retire	£	Ongoing

What is this?

Network Traffic Management (NTM) focuses on efficiently managing network capacity to meet the growing demand for smart metering services. With an increasing number of devices, new use cases, and evolving customer expectations, NTM ensures that the smart metering network remains reliable and scalable. By adopting a holistic approach that combines technical, operational, and commercial efforts, we aim to use capacity focus on the intelligently use of capacity to optimise performance while minimising investment. NTM works closely with customers and stakeholders to proactively identify opportunities across customer, operational, process, regulatory, and commercial areas.

Why is it important for customers and, ultimately, consumers?

DCC needs to have a robust strategy in place to make the right strategic choices in managing the network. This is vital for ensuring continued and reliable performance, optimising capacity investment, and benefitting the broader public, especially given the growing number of use cases for the network.

Without intervention, the risks of delayed message delivery and network inefficiency will increase. It is therefore essential to put in place an end-to-end strategic approach to ensure the timely delivery of solutions that offer value for money and avoid costly, isolated changes.

The importance of NTM is evident in its impact on both customers and consumers, particularly in the following three key areas:

Improving network utilisation:

To keep pace with increasing demand, NTM is exploring smarter ways to use available capacity. In 2024/25, pilots assessed the impact of using more of the day for scheduled reads, helping to reduce congestion and improve the efficiency of data traffic across the network.

Enhancing message success rates:

A core focus of NTM is reducing the number of retries caused by network inefficiencies across both SMETS1 and SMETS2 devices. Notably, the Non-Comm Devices Retry Optimisation initiative delivered a 90% reduction in retries. These overall efforts should improve first-time success rates, reduce delays, and directly enhance the customer experience.

Prioritising and optimising network traffic:

Targeted initiatives aim to ensure critical services are prioritised and traffic is efficiently managed. These include a Traffic Management Gateway for the central and southern regions, an expansion of radio channels in

the north to reduce retry volumes, and the introduction of DSP Southbound Prioritisation to support time-sensitive services like prepay. Continued optimisation of SMETS1 devices will also ensure a consistent, high-quality experience across all device types.

These initiatives reflect ongoing efforts to optimise the network for the benefit of both customers and consumers, ensuring that the smart metering infrastructure remains robust, scalable, and efficient.

What's next?

Key focus areas for the upcoming period include:

Key Activities	Timeframe
DP257 SPS Data Cache & SMEDR Feasibility: DCC is pursuing sustainable ways to manage rising network demand, including optimising batch processes to minimise meter touches. We're also supporting DESNZ's feasibility work on the Smart Meter Energy Data Repository (SMEDR), which could cache key data to reduce network load, cut costs, and enable faster access for authorised users.	Commenced
Schedule reads optimisation: we are aiming to optimise 85% of all traffic to increase network utilisation and performance, with a focus on better distribution and understanding demand profiles.	Q2 2025
Erroneous alerts and device optimisation: we are targeting further reductions in unnecessary alerts and improved device handling.	Q3 2025
Ongoing first-time success and retry management: we continue to improve first-time success rates and manage retries to enhance network performance.	Ongoing
Customer guidance and insights: we are sharing recommendations and best practices to help customers enhance network efficiency, while also aiming to minimise any potential impact on DCC users.	Ongoing

As demand continues to grow, these initiatives will ensure that DCC's network remains resilient, scalable, and cost-effective, with tangible benefits for both customers and consumers.

SECTION 5

Future Service Management (FSM)

Upgrading our service management system to drive an improved customer experience

Service Management

Outcomes	Service family	Lifecycle stage	Cost	End date
	Enabling and Testing Services - Service Management	Contract to Market	£ £	2028

What is the programme?

The Future Service Management (FSM) programme will replace the current Data Service Management System (DSMS) used by DCC. The new system will be modern, secure, and easier to maintain, ensuring that it meets the required performance standards under the SEC, while also delivering a better customer experience.

Why is it important for customers and, ultimately, consumers?

The current DSMS is essential for managing and resolving issues within the smart meter network. It allows customers to request services, report problems, track service progress, and access important information, such as downtime reports. The new FSM solution will provide customers with a more reliable and capable system, ensuring it can efficiently handle the anticipated rise in service requests from the upcoming system changes.

What's next?

DCC awarded the design, build, and test contract to its preferred bidder in September 2024. DCC is now working with both the preferred and existing service providers to build and implement the FSM solution, with completion expected by the end of Q1 2026.

Enhanced Returns and Disposal

Support the efficient management of the network, ensuring we have capacity available in the right place and at the right time

Service Management

Outcomes	Service family	Lifecycle stage	Cost	End date
	Various	Market to Retire	£ £	Ongoing

What is the programme?

The Enhanced Returns and Disposals programme addresses the upcoming sunset of the 2G network by 2033, requiring the replacement of approximately 11 million devices with the latest 4G technology. This will involve a large-scale physical swap-out across Great Britain, with engineers visiting each consumer's home to complete the process. Currently, we are focusing on the recovery and refurbishment of devices to minimise environmental impact and costs, while also, ensuring a sustainable supply of both new and refurbished devices. In future years, as 4G devices replace older ones the focus will shift towards an optimised and sustainable end-to-end process that maximises recycling yields and reduces the carbon footprint.

Why is it important for customers and, ultimately, consumers?

The Enhanced Returns and Disposal process will deliver tangible benefits for customers by making the returns process faster, more efficient, and more sustainable. Improved lead times and increased capacity will mean quicker turnaround on device returns, helping customers manage stock levels more effectively. Automated processes will also reduce manual intervention, streamlining operations and lowering the risk of errors.

Crucially, the programme ensures the secure disposal of old devices, with full traceability and certification, giving customers confidence in data security and regulatory compliance. By handling large volumes of returns, the programme can achieve economies of scale, driving cost-efficiency and reducing the carbon footprint across the supply chain. This supports both financial savings and environmental sustainability. Additionally, the plan will cover the returns of both faulty and non-faulty communications hubs, as well as unused 2G/3G and LRR communications hub stock, ensuring a comprehensive and consistent approach.

What's next?

The transition from 2G/3G to 4G communications hubs will begin in H2 2025, with a ramp-up in 4G swaps forecast for late 2026. Key milestones include:

- 4G mass manufacturing decision for Live Service Criteria 2 – H1 2025

- Mass installation of 4G communications hubs to begin – H2 2025

- 2G/3G swap-out consultation to commence – April 2026

- 2G network switch-off – 2033

Enhancing DCC's data capabilities

Service Management

Internally, we are strengthening our own capabilities to manage smart meter data more effectively. This includes enhancing how we ingest, transform, curate, and store data to ensure it is accurate, reliable, and readily available to industry stakeholders. By improving our data processing and delivery, we can help organisations unlock richer insights, drive efficiencies, and accelerate the development of new services.

Key Activities	Benefits	What's next?
Internal data platform: DCC has nearly finished migrating to a cloud-native data platform. This will enhance the resilience of our current services while enabling the Data and Analytics teams to generate more impactful insights into the organisation's key opportunities and challenges.	• Cost-effective and scalable approach • Quick integration of new data inventions and technologies • Ability of Proof of Concepts to be conducted rapidly at low cost to realise value • Real-time streaming of data from our suppliers to support more effective network and customer journey monitoring	We want to integrate AI tooling into our platform to support internal large language models and enhance our predictive analytics capabilities.
Customer reporting portal: As part of a recent Smart Energy Code Modification, DCC will be launching a reporting portal that offers access to visual, interactive reports, moving away from traditional static formats..	• Wider access to visual, interactive reports	The portal will launch during Q1 2025/26 with an initial set of reports. Following user testing and further engagement, we plan to expand the range of reports and insights available, prioritising those that deliver the greatest value to customers.

Enabling & Testing Services

Testing Services

Ensuring the seamless operation of smart meters and communications hubs across the DCC network relies on a robust and reliable testing framework. DCC's Testing Services provide a suite of testing capabilities that enable participants to validate device compatibility, network connectivity, and system performance.

These services are essential for helping customers meet industry regulations, verify security, and ensure reliable communication across the smart metering ecosystem. By offering continuous access to controlled testing environments, DCC supports the smooth integration of new devices and system updates, reducing operational risks and maintaining a high-quality service for consumers.

Provision of a User Integration Testing environment for Device and User Systems Testing

Support for customers in verifying compliance, security, and interoperability

Specialised tools emulating smart meter network for users to develop and validate devices and solutions

The following section highlights this suite of services in more detail.

SECTION 5

Testing Services

Testing Services

What is the service?

Testing Services is an ongoing, regulated service that allows SEC Parties, known as Testing Participants, to complete the necessary testing to become DCC users. Through this service, participants carry out Smart Metering Key Infrastructure (SMKI) and Repository Entry Process Testing to verify their ability to securely interact with SMKI and the DCC Repository. They also undertake User Entry Process Testing to confirm they can send and receive messages through the User Gateway within the User Integration Testing (UIT) environment.

In addition, DCC provides Device and User Testing Services for both SMETS1 and SMETS2 devices. Participants can conduct testing remotely or in the DCC Test Lab, offering flexibility and convenience.

Why is it important for customers and, ultimately, consumers?

Testing Services ensure that Testing Participants meet the compliance requirements set out in the SEC, enabling them to become DCC users. This is essential for interacting with the DCC network and playing a role in the smart metering ecosystem.

The service delivers key benefits:

- **Ensures security and integrity:** testing verifies that participants' systems can securely handle messages, protecting against data breaches and ensuring the reliability of the messaging system

- **Supports effective communication:** User Entry Process Testing confirms that participants can send and receive messages reliably, which is vital for seamless operations

- **Ongoing compliance and reliability:** continuous access to testing allows participants to validate new firmware or code releases, ensuring their systems remain compliant with evolving standards

- **Enhances interoperability:** by testing both SMETS1 and SMETS2 devices, the service helps participants maintain compatibility with the latest smart metering technology, ensuring a consistent and reliable experience for consumers

- **Reduces risk and disruption:** structured testing helps identify and resolve potential issues early, preventing costly operational disruptions

What's next?

As an enduring segment, Testing Services enables participants to test new firmware or code releases within the UIT environment, ensuring ongoing compliance and performance.

Additionally, the service offers value-added testing services to all SEC Parties, helping them optimise their systems and maintain high standards of security and reliability.

In-Life Change (ILC)

An ongoing programme of maintenance and refresh for key architecture components to ensure security and stability of the network
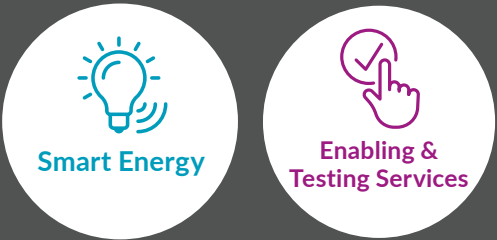
Smart Energy

Enabling & Testing Services

Outcomes	Service family	Lifecycle stage	Cost	End date
	Various	Market to Retire	£	Ongoing

What is this service?

In-Life Change spans both the Smart Energy and Enabling and Testing Services families. Effective coordination between these service families ensures that changes such as technical refreshes, performance enhancements, and regulatory modifications are delivered seamlessly, with minimal impact on operations and customers.

In November 2023, we created a dedicated In-Life Change team to manage the enduring delivery of in-life changes (such as technical refreshes, capacity uplifts, performance enhancements, and mandated modifications), across the market-to-retire lifecycle stage.

The primary objective of this team is to maintain the stability, performance, and security of our smart metering network, as well as deliver enhancements across our existing products and services, including SEC and REC modifications, in line with our SEC and REC obligations.

We are seeing significant success in delivering a range of changes.

For total operational change:

- 524 changes were delivered in March 2025, with a success rate of 98.09%
- 4857 changes were delivered in the financial year 2024/25, with a success rate of 98.21%

For ILC (a subset of operational change):

- 37 changes were delivered to March 2025, with a success rate of 94.29%
- 370 changes were delivered in the financial year 2024/25, with a success rate of 94.05%

Total changes increased by 1,083 compared to last year, with a 0.2% improvement in success rate. For the month of March, 86 more changes were deployed in 2025 than in 2024, marking the highest monthly change volume to date (524 changes). The success rate for March also improved by 0.14%, highlighting the ongoing improvements in efficiency and quality of delivery.

Why is this important?

Each release brings new benefits – and those already delivered have laid the groundwork for future improvements for customers, including:

- Maintained network stability, security, and performance through scheduled technical architecture upgrades
- Improved performance at peak loads with iterative improvements
- Improved capacity and scalability in CSP north region, which is on a journey to reach 5 million communications hubs
- New user role (Meter Data Retriever) capability within DSP in support of MHHS programme
- Southbound prioritisation for service users – especially prepay customers
- Switching interface changes to support the MHHS programme
- Improved install and commission process by making it easier for smart meters to be swapped out
- Improved security model for smart meters that are not known to DCC and therefore should not be installed
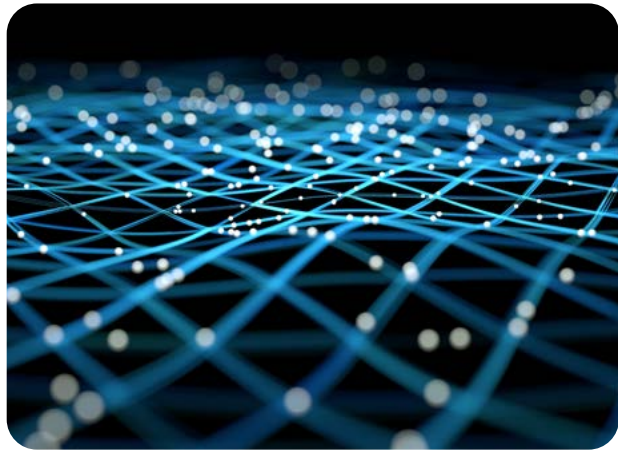
What's next?

Below, we have set out the pipeline for 2025; we are continuously reviewing this schedule.

Service family		Description	Type of change
Smart Energy	SMETS1	Maintenance	Completion of DCO service platform upgrades, ensuring stable and secure communication channels, maintaining service continuity, and reducing operational risks for customers
		Certificate rotation	Rotation of security certificates before expiry in October 2025, maintaining security of smart meter communications
		Maintenance	Ongoing performance and capacity enhancements, maintaining service reliability
		Maximising migrations	Completion of migrations for the middle operating cohort by December 2025, ensuring a smooth transition to SMETS2 meters
	SMETS2	SEC modification	New service management features for non-communicating devices and device returns in June and November 2025, improving system reliability and making it easier for customers to manage their devices
		Firmware upgrades	Increased capacity in the north to enable scaling to 5 million communications hubs by March 2026, enhancing system scalability and ensuring continued service reliability
		Certificate rotation	Rotation of security certificates before expiry in April 2026
	Connectivity	Firmware upgrades	Completion of the GBCS4.2 roll-out across 2025–2026
	Switching	REC modifications	Improvements to the CSS for failed-to-deliver messages in June and November 2025, enhancing the switching process and reducing potential disruptions for consumers during switching events

Alongside delivering all the necessary technical product improvements to our network and maintaining its performance and stability, we have completed a series of incremental process improvements to ensure we consistently enhance the way we deliver change for our customers.

These improvements removed inefficiency and rework through a more streamlined operating model, delivered value for money through better planning and forecasting, and enabled a delivery model that is scalable and flexible. This will aid the delivery of new changes in 2025, such as follow-on activity after the 4G communications hubs have been delivered.

SECTION 5

Strategic Enablers

- Our People Strategy
- Cost Efficiency
- Customer First
- Charging
- Maximising Value
- Responsible Business

While our service families represent the core delivery structures for DCC's services, we are also progressing with several important organisation-wide initiatives that underpin our strategic goals and support delivery across the business.

These activities reflect our broader responsibilities as a purpose-led organisation – from strengthening our people and culture, to embedding responsible business practices, driving cost-efficiency, and enabling policy delivery. The following updates provide an overview of these initiatives and their role in supporting our mission and delivering value for customers and consumers.

SECTION 5

Our People Strategy

Our refreshed People Strategy has been built to support the organisation through a period of change and opportunity.

As we prepare for the transition to DCC 2, our People function is focused on three critical priorities:

- Supporting the delivery of critical business change
- Delivering our core people processes seamlessly
- Maintaining workforce engagement and stability

These priorities set the direction for how we shape and support our people, enabling the organisation to deliver its mission.

Our strategy continues to be structured around three core pillars – workforce and capability, cultural transformation, and employee value proposition (EVP) – with each pillar now more sharply aligned to the functional outcomes we need to deliver. Together, they reflect our ambition to build a skilled, stable, and engaged workforce, supported by inclusive leadership, smart processes, and brilliant experiences.

1 Workforce and capability

Ensuring the DCC has the resources it needs to deliver its mandated activity.

Resourcing Strategy	Talent & Succession	Leadership

2 Culture transformation

Creating an environment where people enjoy working and can be at their best.

Cultural ambition, Values & Behaviours	Diversity & inclusion

3 EVP

Defining the unique benefits that make people want to join and stay working for the DCC.

Learning & Career	Rewards & Benefits	Working Environment

1 Workforce and capability

As we move through the successor licence process, retaining and engaging our colleagues is a workforce priority. Our ability to deliver to customers – now and in the future – depends on holding onto critical skills, providing clarity and opportunity, and supporting people through change.

This year, we are taking a more deliberate and joined-up approach to workforce planning, capability development, and talent retention. Central to this is the creation of a new skills database – a single, dynamic view of the skills we have and the ones we need. This will allow us to make smarter resourcing decisions, reduce external spend, and create clearer, fairer pathways for internal progression.

The database will also help us align business needs with individual aspiration, enabling colleagues to better understand their development options and shape their careers at DCC. We aim to show people how they can grow and contribute, thereby supporting retention not just through reassurance, but through opportunity and purpose.

We are also continuing to invest in early careers, reviewing our learning and development offer to improve impact and cost-efficiency and removing barriers to internal mobility.

Crucially, we are listening to colleagues to understand what matters to them most, using engagement insight to shape our offer, target our interventions, and respond to emerging needs quickly. Sustaining colleague engagement during this period of change is critical to retaining talent, maintaining performance, and delivering with confidence.

2 Cultural transformation

We are refreshing our cultural ambition to make customer and value for money an integral part of what it means to work at DCC, all while continuing to support collaboration, inclusion, and engagement. This is not a wholesale shift, but a focused refresh aligned with our business strategy and what the organisation now needs to deliver.

This cultural work is being shaped in close collaboration with teams across the business. It reflects a shared understanding that how we work is just as important as what we deliver – and that our culture must support clarity, pace, and accountability, especially during a period of change and challenge.

A key element of this work is the introduction of a new behavioural framework that will provide a common language for the behaviours we expect and value. The framework will be embedded across recruitment, performance, learning, and leadership, creating alignment and consistency across colleague experience.

We are also investing in our leaders, recognising the vital role they play in shaping culture, supporting their teams, and delivering results. Over the past year, we have built a clearer picture of leadership capability across DCC. The focus now is on acting on that insight – ensuring every leader has the tools, development, and support they need to lead confidently, engage their teams, and deliver in a more focused, efficient environment.

This next stage of our cultural journey is practical, shared, and business-critical. It will enable us to stay connected to our values while evolving how we lead, deliver, and work together.

3 EVP

We have launched a refreshed EVP to provide clarity on who we are, how we work, and what people can expect at DCC. This EVP is now being actively embedded across our recruitment, induction, internal communications, and external employer brand. It gives us a clearer story to tell during a period of uncertainty, helping us to retain great people and attract the right talent as we evolve our operating model.

The EVP is also informing improvements to our core offer, from onboarding and recognition to flexibility and development. It ensures that the colleague experience is joined-up, human-centred, and consistent.

As we stabilise through the transition to our successor licence, our EVP will become even more important – reinforcing trust, clarity, and connection for colleagues navigating change.

Cost Efficiency

Cost Efficiency

DCC continues to mature from a business that was primarily focused on delivering programmes with incremental, transactional, value-for-money decisions into a more stable operating model with a longer-term view of its cost base.

We remain committed to driving cost efficiency through measures such as automation, effective contract management, and resource optimisation – balancing short-term opportunities with enduring, mid-to-long-term savings.

In 2023 we set a target to deliver £30 million in cost efficiencies by 2026, a goal we have already met. We have now set ourselves new stretch targets covering the period from this year through to November 2026, as we continue to focus on delivering value for money. We have a structured and robust process in place for capturing, validating, and tracking cost-efficiency initiatives that align with our strategic and corporate goals. This underpins our commitment to delivering value for money and operating as a responsible and efficient business.

Customer First

Customer First

Our customer landscape is broad and growing, with varying priorities. However, there are common priorities that underpin success for our customers, their consumers, and the Clean Power 2030 ambition. These include reducing unnecessary costs for consumers, continued installation (and smart operation) of smart meters and ensuring consumers can unlock the benefits of smart services.

While we already support these goals, we can do more to demonstrate our role in enabling customer success. We have established an internal project focused on improving all aspects of our customer experience, built around three core pillars:

1. **Engagement:** How DCC listens to, understands, and communicates with customers

2. **Performance:** How DCC enables success for its customers through aligned goals and outcome

3. **Culture:** How DCC embeds and delivers customer focus through all its people

The project will ensure that the services and support provided are aligned with customers' real needs, expectations, and long-term goals. It builds trust and engagement by actively listening and responding to customer feedback, fostering stronger relationships. It aligns with strategic priorities by ensuring that services and performance measures are directly linked to what customers value most, such as cost efficiency, smart technology adoption, and service reliability. Finally, it drives continuous improvement by helping to identify pain points and opportunities, enabling more responsive and effective service delivery.

Moving forward to strengthen our impact and deliver a more consistent and valuable experience for customers and consumers, the team is progressing with several key actions, including governance, roles, and delivery framework, to ensure it is well-coordinated and outcome driven.

By the end of July 2025, we will launch a refreshed customer portal to improve access to insights, updates, and support. Alongside this, we will deliver enhanced customer reports that are tailored to reflect customer priorities, performance metrics, and actionable insights.

More broadly, we are building a targeted communications plan to ensure clear, consistent, and engaging messaging across all customer touchpoints.

Charging Review
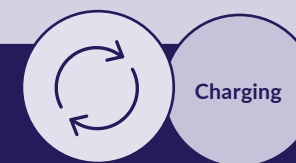
Charging

What is the programme?

DCC is reviewing its charging policy in line with SEC Modification DP218. Frontier Economics has been appointed to support analysis around charging options and distributional impacts.

Why is it important for customers and, ultimately, consumers?

DCC's current charging methodology has not substantively changed since it was first established 10 years ago. As the roll-out progressed, it was always envisaged that DCC would review its charging model. DCC is now witnessing a shift in how its network is being used and the customer groups driving demand. The review of DCC charging will look at how we can deliver a sustainable charging framework that better reflects evolving usage patterns – helping to ensure fairness, transparency, and value for money for all customers.

What's next?

DCC has been consulting industry and other interested parties over the course of 2024 and 2025 on the main options for charming reform. A Request for Information was published in April 2024, followed by a second-stage consultation that closed in February 2025.

DCC received high levels of customer engagement across both consultations and is now working to finalise a proposal, which will be socialised with stakeholders over spring 2025. At the time of writing, publication of our proposals is expected imminently, with a view to implementing any agreed changes in regulatory year 2026/27.

Responsible Business Framework

Responsible Business

The DCC is a purpose-led, responsible business that is focused on serving our customers and broader GB. We hold ourselves to high standards of performance and value for money.

Throughout 2024, DCC focused on implementing initiatives in alignment with its Responsible Business Framework (RBF), which draws together an array of environmental and social aspects of how we work into a coherent whole, based on ESG principles.

Looking ahead, we will continue to focus on delivering positive impact through responsible, inclusive, and sustainable practices. We will build on the successes of 2024 and the robust foundations we have established to further embed responsible business practices into DCC's processes and culture. We will also continue to collaborate with our value chain partners to strengthen our collective efforts.

We will:

- Decarbonise our operations while expanding DCC's carbon baseline to include Scope 3 emissions, allowing us to identify and address the areas of greatest impact in order to help deliver Britain's net zero targets

- Collaborate with our supply chain to reduce the environmental impact of communications hubs

- Foster an inclusive environment that attracts and retains the best talent to support our company goals

- Harness DCC's talent and desire to help to give back to local communities

- Deliver responsible business initiatives in the most efficient manner possible, with a continued focus on delivering value for money for our customers

Our Responsible Business Framework is built around a set of core pillars that guide how we operate ethically, sustainably, and in the interests of our customers and wider society.

Responsible

We are accountable for delivering our purpose to the highest standard.

- Operate to the highest security standards as defined by CNI

- Deliver value for money, with a focus on consumer benefit

- Hold ourselves and our partners to the highest levels of integrity, governance, and performance

- Leverage our technology for public good

Inclusive

We will act with integrity and deliver for customers, consumers, and employees.

- Enable all eligible homes and businesses to get a smart meter

- Use DCC skills to benefit local communities

- Build a diverse and inclusive workforce through our Diversity and Inclusion strategy

- Promote good health and wellbeing to employees

Sustainable

We will make a difference by reducing our impact on the environment.

- Support the roll-out of smart meters GB-wide

- Act to reduce our Scopes 1-3 carbon emissions

- Incorporate circular design principles into the approach for smart metering

- Provide employees with sustainability training

Maximising value of a unique national asset

Maximising Value
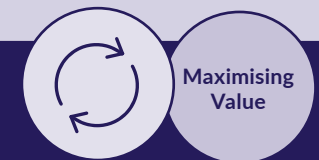
We also continue to support opportunities to help our stakeholders and industry players understand the potential of the system to viably contribute to key policy priorities, while remaining cognisant of the absolute priority of focusing on our mandated obligations. This includes enabling DCC to explore improvements to services and deliver greater value to consumers, industry, and government. We outline a summary of the key policy areas we are supporting below.

| Vulnerable customers, in particular those experiencing fuel poverty | Ofgem's permitted purpose is set to expire in August 2025; nonetheless, in alignment with customers, DCC is working on extending and expanding this permitted purpose to unlock greater impact through collaborative data exchange. DCC is continuing to engage with energy suppliers to increase participation, while also collaborating with organisations who are interested in receiving the data. DCC is developing a plan to ensure the organisations receiving the data can use it to support specific projects; we are also considering how we can measure the impacts of the projects.

As demand increases and benefits from this initiative materialise, DCC will continue working with Ofgem to ensure that the permitted purpose is extended and expanded. | Timescales:
• Ofgem permitted purpose set to expire August 2025
• DCC workstream underway to extend the permitted purpose so data sharing can continue; DCC is also considering how the permitted purpose can be expanded to reach more targeted organisations (that have shown interest in receiving the data)
• Verify (formally VIVID) combines data on networks, properties, consumer demographics, and smart meters to help electricity networks tailor investments to local needs. It will use anonymised smart meter system data to support fuel poverty modelling, vulnerability identification, and network planning. Verify is a BETA phase project which builds on project 'Vivid' - an 'alpha' phase project that finished in early 2024. Led by SSEN, the Verify consortium was notified that its bid was successful in May 2025, with a formal start date in October 2025. |

| Flexibility | We will continue to support DESNZ with proposals on the potential use of 'Common Systems' in the realm of cybersecurity to ensure secure uptake of DSR services and enable wider system benefits.

Furthermore, following conclusion of the government-funded Interoperable Demand Side Response programme and the AAR/Central Asset Register programme, we will continue to share learnings and support industry, as requested, to unlock the value of these initiatives in aligned flexibility workstreams.

Finally, we will continue to engage government on how DCC and the smart metering network could support key data and digitalisation programmes which will reinforce consumer centricity in the upcoming Low Carbon Flexibility Roadmap. | Timescales:
• Working groups expected throughout 2025 to discuss the need for Common Systems; if agreed, implementation is expected in 2027/28, at the earliest
• Government's Low Carbon Flexibility Roadmap to be published in summer 2025, alongside a consultation on consumer engagement with the energy system, including opportunities to amplify messaging on consumer-led flexibility |

| Energy efficiency | We continue to explore opportunities to maximise the impact of smart meter data and capabilities to enhance and accelerate the delivery of domestic energy efficiency retrofit programmes across Great Britain in alignment with the government's Warm Homes Plan.

We also continue to establish data-driven opportunities at every stage of the retrofit lifecycle – enabling better targeted planning, more accurate specification, and streamlined monitoring and reporting.

This includes advocating for smart meter technologies to be included in the energy performance assessment framework for buildings, among other key policy-driven applications, to support the reform of energy efficiency methodologies. The system's ability to retrieve temperature and humidity data securely at scale represents a major opportunity to improve the targeting, delivery, and monitoring of fuel efficiency programmes, building on the DESNZ-funded SMIoT programme.

Combined, these activities hold significant potential to deliver improvements for industry and help government realise key policy objectives, including the Warm Homes Plan and reform of the Energy Performance Certificate (EPC) framework. | Timescales:
• Initial EPC framework consultation response late May/early June 2025
• DCC workstream underway to publish a position paper on how smart metering capabilities can be used to improve retrofit across the whole delivery cycle (Q1 2026)
• The 2nd phase of SMIOT project to identify priority uses cases and demonstrate how temperature and humidity sensor data can be retrieved at scale through the smart meter network (Q4 2025 / Q1 2026)
• National Energy Environment Data Specification project that will provide tool to support the use of smart meter data in Local Area Energy Plans (Q4 2025) |

| Data policy and services | Secure, controlled data access and exchange is critical for delivering better consumer outcomes, achieving net zero, and enabling broader economic growth.

Multiple digitalisation initiatives seek to realise these objectives – DCC will continue to support this trajectory.

Key activities include: supporting Ofgem's Consumer Consent Solution, with DCC contributing to two working groups focused on technical design, security, and implementation; contributing to the formation of smart data schemes within the sector and beyond; and continuing to champion the broadening of Data Sharing Infrastructure.

Regarding activities that are specific to smart metering, we are continuing to prepare for the expansion of the EDBPG and exploring opportunities to increase access to smart meter system data. This will support a broad range of use cases, including accelerated smart meter roll-out and deployment of LCT. | Timescales:
• Consumer consent Minimum Viable Product (MVP)2025–2027
• Government decision on Smart Data Schemes expected late 2025
• The consultation on the expansion of the EDBPG has now been published. |

Appendix 1: DCC responds to stakeholder engagement

We have incorporated the majority of the feedback we received into the BDP. Where this was not possible, we have set out our responses below:

DCC Outcome	Question	DCC response
Operating context	Can you provide detail on how consumers could benefit from fuel poverty initiatives?	Further detail is outlined in DCC's Fuel Poverty paper, which will examine how smart metering infrastructure can contribute to addressing fuel poverty and improving outcomes for households affected by it.
	Can you include further detail on how DCC will use regulatory and stakeholder engagement to understand and address consumer challenges?	Section 3 – Consumer Challenges highlights the importance of regulatory and stakeholder engagement, showing how ongoing collaboration enables DCC to better understand and address consumer needs, ultimately driving improved outcomes.
	Can DCC ensure that the geopolitical risks covered in the BDP are broadened to include other elements of DCC's supply chain?	Further detail is provided in Section 3 – Energy Transition, highlighting how volatile geopolitical developments have reinforced the need to strengthen resilience across DCC's broader infrastructure and technology supply chains.
Our Strategy	Can you explain how DCC will strengthen contract management, particularly in addressing underperformance and ensuring accountability from external service providers?	DCC's contract management is assessed as part of the Operational Performance Regime (OPR), which reviews how effectively we manage contracts with external service providers, from procurement through to closure. As a regulated monopoly, DCC is also subject to annual review by Ofgem through the price control process, which helps ensure service quality and value for money for customers.
	Can you include a brief explanation of the different OPR incentives in the Business and Development Plan to improve clarity for stakeholders?	We have updated Section 4 of the BDP to include a clear explanation of the different OPR incentives, providing greater clarity on how performance is measured and incentivised across key service areas.
	DCC should remain focused on its core functions – smart metering and switching – while addressing consumer needs	We agree that DCC should remain focussed on its core functions of smart metering and switching, as these are critical to enabling the energy system transition and delivering positive consumer outcomes. This focus aligns with our strategic outcomes – ensuring the network remains secure and stable, operating as a responsible and efficient business, delivering services right first time, and maintaining the flexibility to adapt to future needs.
	Can you outline how the procurement strategy has evolved and how frameworks will support consultancy and service agreements?	Section 4 – Commercial of the BDP has been updated to clarify DCC's procurement strategy and use of frameworks. The regulator-approved approach enables faster, more efficient procurement. DCC will conduct procurements in line with this strategy, ensuring a consistent, transparent and value-focused approach.
	Can you provide more clarity on how DCC manages change requests and integrates with SEC-led governance?	We manage service changes through a structured, end-to-end lifecycle that promotes efficiency, accountability, and quality throughout. Section 4 – Lifecycle Management outlines the rationale behind this approach, reinforcing our commitment to delivering responsible, value-driven services. For changes driven by SEC modifications – such as recent updates for non-communicating devices and device returns (see Section 5) – we work closely with industry governance to ensure smooth integration into the service roadmap, supporting system reliability and customer priorities.

DCC Outcome	Question	DCC response
Service families	How is DCC is addressing the need for ongoing improvements in switching performance?	DCC has facilitated over 36 million switches, allowing consumers to access lower bills and improved service quality. With a 100% availability rate in 2024, the Central Switching Service continues to ensure deliver, efficient switching services across the market. Together with RECCo, DCC is developing a Central Registration Service improvement plan to meet changing customer needs. This will enhance switching performance by building on strengths and addressing outdated elements, ensuring continued value and reliability. See Section 5 of the BDP for details.
	Can you provide more detail on how DCC will collaborate with industry to enhance enabling services – particularly in areas such as data quality, analytics, data availability, self-service, 4G reverse logistics, and actionable data insights?	Section 5 of the BDP outlines how DCC is expanding access to smart meter system data to boost transparency and support service improvements, regulatory compliance, and customer experience. DCC is working collaboratively with industry partners to tackle data quality issues across the smart metering ecosystem – enhancing the reliability and value of smart data services. Improvements in data management will ensure accuracy, availability, and trust for all stakeholders.
	Provide cost breakdowns and evidence of efficiency improvements	Section 5 of the BDP includes a cost summary chart, indicative cost scales for each programme. Together, these provide a clearer view of DCC's cost profile and the actions we are taking to drive value for money.
	Can DCC provide more detail on how it is focusing on prepayment, DCO, VWAN, and meter swap-outs?	Section 2 of the BDP provides further detail on prepayment, while Section 5 outlines related programmes and activities – including those linked to DCO, VWAN, and meter swap outs. These initiatives reflect customer priorities and DCC's role in enabling system-wide delivery.
	What is the current Comms Hubs returns process and how does DCC ensure this is an efficient process that prioritises and resolves issues, along with recovery strategies, focused on working more directly with suppliers?	Section 5 of the BDP sets out how the Enhanced Returns and Disposals programme is streamlining Comms Hubs returns. Ahead of the 2G network sunset, DCC is managing the recovery, refurbishment, and disposal of 11 million devices – delivering faster turnaround, better stock control, and lower costs through automation. The process ensures secure, traceable disposal and strengthens supplier collaboration for a more sustainable supply chain.
Terminology and clarity	Provide clearer definitions for key terms and explain acronyms	The BDP now includes clear definitions of key terms and acronyms, along with references to relevant external documents, to improve clarity and reader understanding.

APPENDIX 2

Appendix 2: BDP process

Glossary

APPENDIX 2
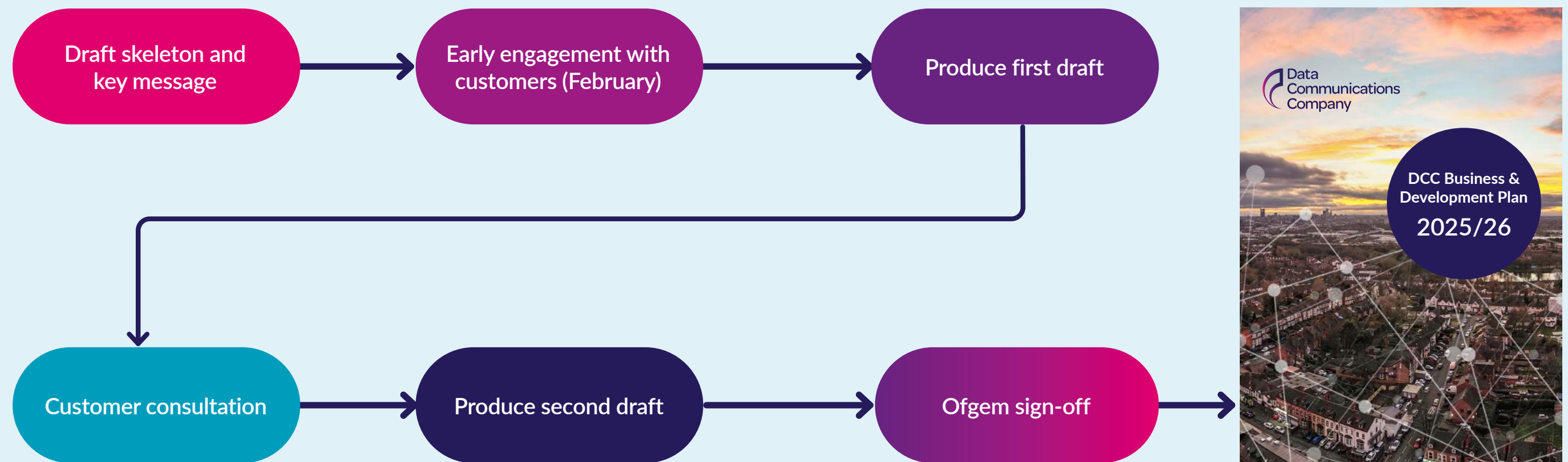
Acronym	Description
AAR	Automatic Asset Registration
AI	Artificial Intelligence
ANSO	Application Network Security & Operations
BDP	Business and Development Plan
BHP	Business Handover Plan
CH&N	Communications Hubs and Networks programme
CNI	Critical National Infrastructure
CP30	Clean Power 2030
CRS	Centralised Registration Services
CSP	Communications Service Provider
CSS	Central Switching Service
DCC	Data Communications Company
DESNZ	Department for Energy Security and Net Zero
DM	Device Manager
DMCCA	Digital Markets, Competition and Consumers Act
DNO	Distribution Network Operator
DSMS	DCC Service Management System
DSP	Data Service Provider
DSR	Demand Side Response
ECoS	Enduring Change of Supplier
EDBPG	Energy Data Best Practice Guidance
EPC	Energy Performance Certificate
ESC	Energy Systems Catapult
ESG	Environmental, Social, and Governance
EV	Electrical Vehicle
EVP	Employee Value Proposition
FBC	Full Business Case
FOC	Final Operating Capability
FSM	Future Service Management
GCHQ	Government Communications Headquarters
HAN	Home Area Network
iDNO	Independent Distribution Network Operator
IOC	Initial Operating Capability
IoT	Internet of Things
ITIL	Information Technology Infrastructure Library
LCT	Low-carbon Technologies
LRR	Long-Range Radio
MDM	Meter Data Management
MDR	Meter Data Retrieval

Acronym	Description
MHHS	Market-wide Half-Hourly Settlement
NCSC	National Cyber Security Centre
NIST	National Institute of Standards and Technology
NTM	Network Traffic Management
OBC	Outline Business Case
Ofgem	Office of Gas and Electricity Markets
OPR	Operational Performance Regime
PKI-E	Public Key Infrastructure-Enduring Services
PQC	Post-q Quantum Computing
Quango	Quasi-autonomous non-governmental organisations
RBF	Responsible Business Framework
REC	Retail Energy Code
RECCo	Retail Energy Code Company
REMA	Electricity Market Arrangements
REMA	Review of Electricity Market Arrangements
RFP	Request for Proposal
RY	Regulatory Year
S1SP	SMETS1 Service Providers
SEC	Smart Energy Code
SEGB	Smart Energy GB
SIEM	Security information and event management
SIF	Strategic Innovation Fund
SIT	Systems Integration Testing
SMEDR	Smart Meter Energy Data Repository
SMETS	Smart Metering Equipment Technical Specifications
SMETS1 meter	First-Generation Smart Meters
SMETS2 meter	Second-Generation smart Meters
SMIoT	Smart Meter-based Internet of Things
SMKI	Smart Metering Key Infrastructure
SOC	Security Operations Centre
SPS	Secure Publish and Subscribe
SRN	Shared Rural Network
TCoS	Transitional Change of Supplier
TOC	Technical Operations Centre
TSP	Trusted Service Provider
UIT	User Integration Testing
VIVID	Vulnerability Identification Via Informative Data
VWAN	Virtual Wide Area Network
WAN	Wide Area Network