

# Future Connectivity North

## Consultation on the regulatory changes

Issued: 31 March 2025

Respond by: 17:00 on 9 May 2025

Contact: [consultations@smartdcc.co.uk](mailto:consultations@smartdcc.co.uk)

Classification: DCC Public

## Table of Contents

<b>1. Background and context.....</b>	<b>3</b>
<b>1.1. The Future Connectivity North Project.....</b>	<b>3</b>
<b>1.2. Approach to regulatory change.....</b>	<b>3</b>
<b>1.3. Scope and structure of this consultation .....</b>	<b>4</b>
<b>2. Regulatory changes required for the FCN Project.....</b>	<b>4</b>
<b>3. Designation of the SEC changes .....</b>	<b>6</b>
<b>4. Next steps .....</b>	<b>6</b>
<b>5. Consultation questions and how to respond .....</b>	<b>6</b>
<b>6. Attachments .....</b>	<b>7</b>
<b>Appendix A – Draft direction text for the enduring changes .....</b>	<b>8</b>

# 1. Background and context

1. This consultation sets out and seeks your views on the approach to delivering the changes to the Smart Energy Code (SEC) required to enable the provision by the DCC of a 4G communications service in the north Geographical Region. It also sets out the proposed changes to the SEC Subsidiary Documents to support this. This consultation should be read alongside the parallel consultation issued by the Department for Energy Security & Net Zero (DESNZ) (the Department) on the changes required to the main body of the SEC and the Network Evolution Transition & Migration Approach Document (NETMAD) for provision of 4G in the north.
2. We are seeking your responses to the questions set out in this consultation by **17:00 on Friday 9 May 2025**.

## 1.1. The Future Connectivity North Project

3. The operation of smart meters is reliant on communication with DCC through the Wide Area Network (WAN). Great Britain is split into three Geographical Regions for WAN provision via the Communications Service Providers (CSPs): south, central and north. The north Geographic Region currently uses a Long-Range Radio (LRR) solution, built and managed by Arqiva.
4. DCC has been exploring options for managing connectivity and communications capacity in the north in the longer term. One of the options for extending connectivity is to introduce 4G Communications Hubs (CHs) in the North. The initial rollout of 4G CHs began in the central and south Geographical Regions in December 2024 via the Communications Hubs & Networks (CH&N) Programme, with approval to proceed with the mass rollout expected in April 2025.
5. Following its assessment of all the potential options, DCC recommended that the rollout of 4G CHs be extended into the north Geographical Region, and the Future Connectivity North (FCN) Project was raised to progress this. This project seeks to ensure that there is a sustainable smart metering connectivity infrastructure to maintain continuity of service and performance for up to 10.5 million premises in the north. This will allow customers to build their long-term plans for rolling out smart metering in the north, as well as ensure value for money.
6. DCC has now procured an extension to the 4G solution delivered under the CH&N Programme to also deliver this in the north Geographical Region, following non-objection to the Full Business Case (FBC) by the Department. DCC has undertaken extensive engagement with the Department and with the industry through the development of its business case. The industry engagement began with a series of workshops in early 2024 and was followed by discussions with the Technical Architecture & Business Architecture Sub-Committee (TABASC), the Operations Group (OPSG), the Security Sub-Committee (SSC) and the SEC Panel. In September 2024, the SEC Panel supported the option to introduce 4G technology into the north, following support from the Sub-Committees on the technical, operational and security considerations.

## 1.2. Approach to regulatory change

7. DCC needs to identify and set out any regulatory changes which correspond with any changes to the current arrangements required to extend the provision of the 4G service into the north Geographical Region. This consultation sets out DCC's view on the regulatory changes required.
8. Consistent with the approach taken on other recent major programmes, consultation on the regulatory change required for FCN is being managed via two separate consultation processes. These consultations are being progressed in parallel and should be read together.
  - The proposed amendments to the main body of the SEC and to SEC Appendix AU 'Network Evolution Transition and Migration Approach Document' (NETMAD) are being consulted on by the Department and are the subject of its parallel consultation.

- The proposed amendments to the remaining SEC Subsidiary Documents are being consulted on by DCC and are the subject of this consultation.

9. The changes to the main body of the SEC will be enacted by the Secretary of State using powers conferred under Section 88 of the Energy Act 2008. The changes to the SEC Subsidiary Documents will be delivered following Direction from the Department using powers under Condition 22 of the Smart Meter Communications Licence and SEC Section X5 'Incorporation of Certain Documents into this Code'.

### 1.3. Scope and structure of this consultation

10. This consultation seeks your views on the proposed changes to the SEC Subsidiary Documents to support the delivery of the FCN Project. Section 2 of this consultation document sets out the proposed changes to the SEC Subsidiary Documents (other than the NETMAD) to deliver the FCN Project. The redlined changes to the affected documents are available in Attachments 1-3.
11. This consultation also seeks your views on the proposed re-designation date for these changes. Section 3 of this consultation document sets out the proposed date and the rationale for this.
12. This consultation is expected to be of interest to any SEC Parties that plan to install 4G CHs in the north Geographical Region.
13. This consultation closes at **17:00 on Friday 9 May 2025**. Following this, DCC will provide a report to the Department by 23 May 2025 containing its consideration of the responses and its conclusion on the regulatory changes required for the FCN Project. We will publish this conclusions document on the DCC website.

## 2. Regulatory changes required for the FCN Project

14. DCC consulted on the enduring SEC changes required to introduce 4G CHs and associated services in the central and south Geographical Regions as part of the CH&N Programme. These changes included:
  - Updating the concept of a 'Region' to combine 'Geographical Region' (north, central and south) and 'Communications Technology' (2G/3G cellular, 4G cellular and LRR), renaming the existing three Regions (to 'North', '2G/3G Central' and '2G/3G South'), and introducing the new '4G Central/South' Region
  - Recognising multiple WAN Variants in the central and south Geographical Regions and the different types of Communications Technology equipment that DCC needs to supply for these regions
  - Updating information on the WAN Variant required for Installation Locations in the Smart Metering (SM) WAN coverage information to reflect the different Communications Technology types
  - Reflecting the logistics service for 4G CHs
  - Reflecting the 4G service within the testing services under the SEC
15. The FCN Project is extending the 4G provisions to include the north Geographical Region. This will require corresponding amendments to the changes introduced by the CH&N Programme. The changes to the main body of the SEC and the NETMAD have been drafted by the Department and are the subject of its parallel consultation. The impacts on the other SEC Subsidiary Documents are limited to **SEC Appendix H 'CH Handover Support Materials'**, **SEC Appendix I 'CH Installation and Maintenance Support Materials'** and **SEC Appendix O 'SMKI Repository Interface Design**

**Specification**. The changes proposed to these SEC Appendices are summarised in this section and are available in Attachments 1-3.

16. The new single '4G Central/South' Region that was introduced under the CH&N Programme will be extended to include the north, forming a single GB-wide Region for 4G. It will be renamed '4G North/Central/South' to reflect this. For clarity, the existing 'North' Region will also be renamed 'LRR North' to reflect that there will be two Communications Technology types in use in the north Geographical Region. These terms are defined in SEC Section A 'Definitions and Interpretations' and the updates to these names are part of the changes being consulted upon by the Department. These terms are used throughout SEC Appendices H and I, and these instances will need to be updated to align with the changes in SEC Section A.
17. The CH&N Programme clarified provisions in SEC Appendix H relating to the SM WAN coverage information (clause 3.3) and which WAN Variants are required in a CH Order (clause 3.10) for the central and south Geographical Regions due to there being two Communications Technology types. These provisions are proposed to be replicated for the north Geographical Region to cover the two Communications Technology types that will be available here.
18. SEC Appendix H clause 3.13 limits Parties to specifying a maximum of two Delivery Locations per CH Order per Region. The 'legacy' 2G/3G South, 2G/3G Central and LRR North Regions are listed as separate Regions. This would allow a Party to specify two Delivery Locations for an Order of 2G/3G CHs for the 2G/3G Central Region, and a different two Delivery Locations for an Order for the 2G/3G South Region. When the 4G Central/South Region was introduced, the same Region-based restriction was applied meaning that a Party is only able to specify a maximum of two Delivery Locations for an Order of 4G CHs covering both the central and south Geographical Regions. We are not proposing any changes to this restriction as part of the FCN Project changes, to minimise any DCC Service Provider contractual changes that may increase the cost or lead time to deliver the FCN solution. This would mean a Party would only be able to specify a maximum of two Delivery Locations for an Order of 4G CHs covering all three Geographical Regions (north, central and south). As part of this consultation, we seek views from respondents on whether retaining this restriction would cause any issues for their deliveries of 4G CHs.
19. The CH&N Programme introduced a provision in SEC Appendix I allowing a Supplier to install either of the two Communications Technology types (2G/3G cellular communications technology and 4G cellular communications technology) available in the central and south Geographical Regions should the Coverage Database identify that both are available at the Installation Location (clause 4.2). An equivalent provision is proposed to be added for the North Geographical Region covering the two Communications Technology types that will be available there (long-range radio communications technology and 4G cellular communications technology).
20. Annex E of SEC Appendix I sets out the equipment that DCC needs to provide in each Geographical Region. The list of equipment available for the north Geographical Region is proposed to be updated to include the '4G Cellular' CH Variant.
21. We have also identified amendments to clause 8.7 and Annex B of SEC Appendix I for the 4G North/Central/South Region that were not included in the changes consulted upon for the CH&N Programme. We propose including these changes here. These changes cover the activation procedure for 4G CHs (which are broadly the same as for existing CHs, apart from not having the option to install a Mesh CH that applies in 2G/3G Central and 2G/3G South) and the reboot timings as set out in the CH Supporting Information (CHSI). For completeness, we have also proposed a clarification to the reboot timing for the LRR North Region to align with the CHSI.
22. SEC Appendix O contains a requirement for the Smart Metering Key Infrastructure (SMKI) Repository to hold a downloadable file containing the base set of Organisation Certificates and Organisation Certificate Authority (OCA) Certificates for each WAN Provider (clause 2.3.3). This clause is proposed to be updated following the changes in the Region names to better reflect the requirement that there should be one file per Region, and futureproof the wording for any future changes in Regions.

### 3. Designation of the SEC changes

23. Until the changes to both the main body of the SEC and the SEC Subsidiary Documents are implemented, the SEC does not support the installation of 4G CHs in the north Geographical Region. The SEC Subsidiary Document changes set out in this consultation are necessary to complete the FCN solution and should be implemented at the same time as the main body SEC changes.
24. Following consultation, the main body SEC changes will need to be laid in front of Parliament for 40 sitting days before they can be designated by the Secretary of State. Based on the current timeline, this would likely not complete until late Autumn 2025. To enable the FCN solution to be implemented sooner, the Department is intending to host these changes in the NETMAD on a temporary basis, enabling these to be designated following consultation.
25. We are therefore proposing that, subject to the timely receipt of DCC's conclusions report on this consultation, the Department will re-designate the changes to SEC Appendices H, I and O alongside the interim NETMAD changes on 30 May 2025, or as soon as reasonably practicable within one month thereafter as a contingency measure if required. A draft direction for the designation of the SEC documents can be found in Appendix A of this consultation document. Upon designation of these changes, the SEC will support the installation of 4G CHs in the north Geographical Region.

### 4. Next steps

26. Following the closure of this consultation, DCC will assess respondents' views and amend the draft SEC changes as required. DCC will then submit an amended version of these documents to the Department that it considers suitable for designation by the Secretary of State.
27. DCC is aiming to provide a report to the Department by no later than 23 May 2025. This report will contain DCC's consideration of the responses to this consultation as well as the proposed updated version of the SEC changes and the proposed date for the designation of these. DCC will publish its conclusions document on its website.

### 5. Consultation questions and how to respond

28. We are seeking your views on the following questions:

Q1	<p>Do you agree with DCC's proposed amendments to SEC Appendices H, I and O to deliver the FCN solution?</p> <p><i>Please provide any comments you may have on the proposed changes and your rationale for your views</i></p>
Q2	<p>Do you agree with the proposal to retain the current provision in SEC Appendix H clause 3.13(b) limiting a Party to specifying no more than two Delivery Locations per Order of 4G CHs?</p> <p><i>Please provide your rationale for your views</i></p>
Q3	<p>Do you agree with the proposed redesignation date for the changes to the SEC Subsidiary Documents of 30 May 2025 (or as soon as reasonably practicable within one month thereafter)?</p> <p><i>Please provide your rationale for your views</i></p>



29. Please provide responses using the attached response form by **17:00 on Friday 9 May 2025** to DCC at [consultations@smartdcc.co.uk](mailto:consultations@smartdcc.co.uk).
30. Consultation responses may be published on our website ([smartdcc.co.uk](https://smartdcc.co.uk)). Please state clearly in writing whether you want all or any part of your consultation to be treated as confidential. It would be helpful if you could explain to us why you regard the information you have provided as confidential. Please note that responses in their entirety (including any text marked confidential) may be made available to the Department and the Gas and Electricity Markets Authority (the Authority). Information provided to the Department or the Authority, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004). If the Department or the Authority receive a request for disclosure of the information, we/they will take full account of your explanation (to the extent provided to them), but we/they cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.
31. If you have any questions about this consultation, please contact us at [consultations@smartdcc.co.uk](mailto:consultations@smartdcc.co.uk).

## 6. Attachments

32. This consultation includes four attachments (Attachments 1-3 are included in a single zip folder):
  - Attachment 1: Proposed changes to SEC Appendix H for FCN
  - Attachment 2: Proposed changes to SEC Appendix I for FCN
  - Attachment 3: Proposed changes to SEC Appendix O for FCN
  - Attachment 4: Consultation response template

## Appendix A –Draft direction text for the enduring changes

*This appendix contains the text that the Department plans to use for the approval of the enduring changes to the SEC Appendices for FCN.*

This direction is made for the purposes of the smart meter communications licences granted under the Electricity Act 1989 and the Gas Act 1986 (such licences being the “DCC Licence”) and the Smart Energy Code designated by the Secretary of State pursuant to the DCC Licence (such code being the “SEC”).

Words and expressions used in this direction shall be interpreted in accordance with Section A (Definitions and Interpretation) of the SEC.

Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State directs that, with effect from 30 May 2025:

- the CH Handover Support Materials previously designated and incorporated into the SEC as Appendix H;
- the CH Installation and Maintenance Support Materials previously designated and incorporated into the SEC as Appendix I; and
- the SMKI Repository Interface Design Specification previously designated and incorporated into the SEC as Appendix O

are hereby re-designated and incorporated in the form set out in Annex [XX] to this direction.

For the avoidance of doubt such re-designation of these documents shall be without prejudice to anything done under the DCC Licence or the SEC on or after these documents being re-designated, or the continuing effectiveness of anything done in these documents prior to their re-designation (which shall have effect as if done under the re-designated document).

This direction is also being notified to the SEC Administrator.