



Department
of Energy &
Climate Change

**Department of Energy & Climate
Change**

3 Whitehall Place,
London SW1A 2AW

www.gov.uk/decc

The Authority (Ofgem), the SEC Panel,
SEC Parties and other interested parties

16 December 2014

Dear Colleague,

**CONSULTATION ON DATES FOR ENTRY INTO FORCE OF SECTION H15
OF THE SMART ENERGY CODE (SEC) AND INCORPORATION OF THE
DCC GATEWAY CONNECTION CODE OF CONNECTION INTO THE SEC.**

The Government is seeking views on its proposed timing for incorporating and bringing into force certain parts of the SEC necessary to enable parties to request Gateway Connections from the Data Communications Company (DCC). The detail of the Government's proposals is set out below.

The Government would welcome views on this proposal by Friday 9th January 2015.

I. Section H15 of the SEC (DCC Gateway Connections)

1. Section H15 of the SEC sets out the rights and obligations of the DCC and other SEC Parties with regard to DCC Gateway Connections, including their establishment, maintenance and termination. DCC Gateway Connections are the physical infrastructure that will enable certain communications to take place between a SEC Party's systems and DCC systems.
2. Section H15 of the SEC will be incorporated into the SEC by 12 January 2015, subject to completion of the Parliamentary process. However, pursuant to Section X3 of the SEC, H15 will only be made effective (i.e. be "switched on") from a date to be designated by the Secretary of State. The Government is seeking views on its proposal that this date will be 19 January 2015 or, if necessary, such later date as falls within the period from

20 January to 16 February 2015 (inclusive). Following the bringing into effect of H15 (and the designation of the associated Gateway Connection Code of Connection), SEC parties will be able to start the process of requesting DCC Gateway Connections from the DCC.

3. The Government consulted on its policy proposals for the provision of DCC Gateway Connections, as well as draft legal text on how it would be implemented, as part of its consultation on Stage 4 of the SEC¹ from 30 June to 25 August 2014. The Government concluded on its policy and published final legal drafting (as a new Section H15) in its consultation response on 17 November 2014². The legal drafting of H15 can be seen within the version of the SEC that was laid before Parliament on 17 November 2014:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/380832/Smart_Energy_Code_SEC4A_Section_88_Modifications_Incorporated_Clean_Comment.pdf

4. The reason behind the Government's proposed timing for when Section H15 should take effect is that it is understood that some SEC Parties are keen to start the process of ordering DCC Gateway Connections to support testing activities which they are seeking to undertake via those connections. However, as the designation of Section H15 is dependent on the completion by the DCC of the DCC Gateway Connection Code of Connection (see below), we are proposing to provide some flexibility to the date of designation in case the completion of the DCC Gateway Connection Code of Connection is delayed. If the DCC Gateway Connection Code of Connection is not finalised during this period we will update stakeholders regarding the proposed date for designation.

II. DCC Gateway Connection Code of Connection

5. Section H15 of the SEC is underpinned by the DCC Gateway Connection Code of Connection which sets out the lower level technical and procedural requirements governing a DCC Gateway Connection. It is being developed by the DCC and will be designated by the Secretary of State for incorporation into the SEC as a subsidiary document pursuant to Condition 22 of the DCC Licence. The DCC consulted on the DCC Gateway Connection Code of Connection from 7 October to 21 November 2014 as part of its consultation on Codes of Connection³. The DCC is currently

¹ A Consultation on New Smart Energy Code Content (Stage 4) and consequential / associated changes to licence conditions:
[www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4 - Consultation Document.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329306/SEC4_-_Consultation_Document.pdf)

² Government response to consultation on: Stage 4 Smart Energy Code (SEC) content (Part A) and Transitional arrangements in the Smart Energy Code (SEC), and Consultation on additional SEC content:
www.gov.uk/government/uploads/system/uploads/attachment_data/file/375586/SEC_4A_and_transitional_arrangements_government_response.pdf

³ Consultation on Codes of Connection:
<http://www.smartdcc.co.uk/documents-and-publications/consultation-documents/consultation-on-codes-of-connection/>

considering responses to this consultation and it is the Government's understanding that the DCC plans to submit a final draft of this document to the Secretary of State for consideration by 31 December 2014. The consultation version of the DCC Gateway Connection Code of Connection can be seen at:

www.smartdcc.co.uk/media/10752/dcc_gateway_connection_and_codes_of_connection_-_for_publication.pdf

6. The DCC's consultation on Codes of Connection covered five such codes. We are intending only to designate the DCC Gateway Connection Code of Connection (contained in Section 1 of the DCC's consultation) at the time that has been proposed in this consultation, as it must be in place in order for parties to order connections which will be needed as a pre-condition for certain testing activities. The proposed timing of this designation is contingent upon the DCC submitting to us a suitable DCC Gateway Connection Code of Connection. The Government plans to designate the other codes of connection that have been consulted upon by the DCC to coincide with when they are required.
7. It is proposed that the designation of the DCC Gateway Connection Code of Connection as a SEC subsidiary document will be concurrent with the designation of Section H15 of the SEC on 19 January 2015 or, if necessary, such later date as falls within the period from 20 January to 16 February 2015 (inclusive) due to their mutual dependence.

III. Consequential Changes to the SEC

8. It should be noted that it will be necessary to make a number of minor consequential changes to Sections A, E3 and H15 of the SEC when we designate the DCC Gateway Connection Code of Connection. These will include the changes that are set out in Annex A and will be made and come into effect at the same time that the DCC Gateway Connection Code of Connection is designated. The DCC Licence (condition 22.9) includes a power for the Secretary of State to make consequential changes to the SEC as part of the power to designate a document into the SEC.

IV. Next Steps

9. I should be grateful if you would send, by 9 January 2015, any views on the Government's proposed date for when Section H15 of the SEC shall take effect and the DCC Gateway Connection Code of Connection shall be designated. A relatively short time period has been allocated for the consultation because it purely concerns the activation of regulation that has already been consulted upon which we do not expect to be contentious. We

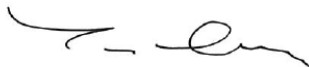
also believe it is important that Parties can order Gateway Connections as soon as reasonably possible. Comments should be addressed to:

Smart Metering Implementation Programme – Regulation
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
1 Victoria Street
London, SW1H 0ET

Telephone: 0300 068 5320
Email: smartmetering@decc.gsi.gov.uk

10. If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we 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. We will summarise all responses and place this summary on the GOV.UK website. This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details. In addition DECC intends to publish the individual responses on its website and you should therefore let us know if you are not content for the response or any part of it to be published

11. The Programme intends to publish its decision in January 2015 in the light of comments received and subject to the completion of Parliamentary process in respect of H15 and finalisation of the DCC Gateway Connection Code of Connection by DCC.



T J Guy

DECC Delivery
DECC Smart Metering Implementation Programme (SMIP)

(an official of the Department of Energy & Climate Change
authorised to act on behalf of the Secretary of State)

ANNEX A: Proposed consequential changes to sections A, E3 and H15 of the SEC rendered necessary by the designation of the DCC Gateway Connection Code of Connection

Changes as marked

Section A1

| | |
|--|---|
| DCC Gateway Connection Code of Connection | means the SEC Subsidiary Document set out in Appendix G <u>[TBC]</u> . |
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Section A2.1(e)

- (e) a numbered Paragraph is a reference to the paragraph of the Schedule in which such reference occurs; or to a numbered clause is a reference to the clause of the Appendix in which such reference occurs;

Section E3.5(a)

- (a) the Registration Data Provider that requested it (or to whom it has been transferred in accordance with Section E3.4) and the DCC shall each comply with the provisions of the DCC Gateway Connection Code of Connection applicable to the DCC Gateway Bandwidth Option utilised at the connection; and

Section E3.7

Given the application of certain provisions of Section H15 to Registration Data Providers in accordance with this Section E3, defined terms used in Section H15 and/or the DCC Gateway Connection Code of Connection shall be construed accordingly ...

Section H15.18(d) and (e)

- (d) the DCC Gateway Party and the DCC shall comply with the provisions of the DCC Gateway Connection Code of Connection applicable to the DCC Gateway Bandwidth Option utilised at the connection (and the DCC may limit the use of the connection where the DCC Gateway Party fails to do so and where this is provided for in the ~~applicable~~ DCC Gateway Connection Code of Connection);
- (e) the DCC shall, on request, provide the DCC Gateway Party with a report on the performance of its connection as further set out in the ~~applicable~~ DCC Gateway Connection Code of Connection; and

Section H15.27

Where a DCC Gateway Party wishes to alter the location of the DCC Gateway Equipment at the Party's premises, then that Party shall make a request to the DCC, and the DCC shall either (in accordance with any provisions of the DCC Gateway Connection Code of Connection concerning the same):

- (a) notify such Party that it is entitled to relocate the DCC Gateway Equipment within the Party's premises, in which case the Party may move such equipment (and, where it does so, it shall do so in accordance with Good Industry Practice and all applicable Laws and Directives); or
- (b) notify such Party that the DCC Gateway Equipment must be relocated by the DCC, in which case the DCC shall (subject to payment of any applicable Charges) move the DCC Gateway Equipment in accordance with Good Industry Practice and all applicable Laws and Directives.