



Consultation on proposed changes to the Temporary Communications Hub Ordering and Delivery Rules

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Author: consultations@smartdcc.co.uk

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1. Context and Executive Summary

1. The Data Communications Company (DCC) is Britain's digital energy spine, supporting the transformation of the energy system. DCC is licensed by the Government and regulated by the energy regulator Ofgem to connect smart meters in homes and small businesses across Great Britain to a single secure, digital network. DCC supports the roll-out and operation of second-generation (SMETS2) smart meters, as well as the migration and operation of existing first-generation (SMETS1) meters onto our network

2. Executive summary

2. DCC customers are required to forecast and order Communications Hubs (CHs) for each Wide Area Network (WAN) Region in advance of delivery. The processes is set out in SEC Section F but can be overridden by the Temporary Communications Hub Ordering and Delivery Rules TCHODR.
3. DCC is working to introduce the next generation of CH's in the Communication Service Provider (CSP) Central and South (C&S) region in the summer of 2025, where there will be need to move from ordering and installing 2/3G CHs to ordering and installing 4G CHs.
4. DCC is keen to mitigate any risk with the transition and is proposing to use the TCHODR to mitigate potential issues in the supply of CH for installation in the C&S Region. The TCHODR will provide DCC customers with more flexibility than the SEC currently allows while also allowing customers to react quicker in the event of issues or delays found during the Initial Pallet Validation stage of the CH&N programme.
5. These proposals have received positive feedback from early industry engagement and are presented here for formal comment and feedback. DCC will ensure SEC Operations Sub-Committee is aware of the publication of this consultation and invite them to respond.

3. Background

6. The requirements for Communications Hub forecasting and ordering are detailed in SEC Section F5, amongst other requirements. The requirements describe the requirements of provision of CH forecasts and orders, detailing the timing of those activities and volume change allowed between a forecast and a final volume.
7. SEC F5.1A allows for the existence of Temporary CH Ordering and Delivery Rules (TCHODR), where reasonably required, that DCC must develop in consultation with industry and with Panel approval. Any TCHODR would override standard SEC forecasting and ordering requirements.
8. A TCHODR was effectively utilised during the COVID-19 pandemic to reduce delivery volumes in 2020. The current version of the TCHODR (V6.0) played a crucial role in managing supply chain challenges resulting from global shortages of components, including silicon chips.
9. These rules were made permanent via SEC MP215¹ which was implemented in March 2023.

¹ [Communications Hub Ordering and Forecasting - Smart Energy Code \(smartenergycodecompany.co.uk\)](https://www.smartenergycodecompany.co.uk)

10. For CSP C&S DCC is working to introduce the next generation of CHs operating with 4G technology via the CH&N programme, including engagement with Parties on the transition to 4G CH¹.
11. To help manage the transition from the older 2/3G CHs to the 4G CH DCC is proposing to utilise the TCHODR to relax the timing requirements of submitting 2/3G CH forecasts and placing a final order. The proposed change will move the binding forecasting month close to the order month.
12. These proposals were presented at Supply Chain Working Group on the 11th July 2025 and to the Communications Transition Group (CTG) on the 8th July 2025 where it received positive feedback due to the additional flexibility the proposals would provide.
13. Details of the proposal are presented below, and Parties are asked to provide their feedback.
14. In addition, DCC proposes to formally remove TCHODR that no longer apply.

4. Removal of Current (V6.0) Rules.

15. The current version of the TCHODR (V6.0), with rules initially developed to manage supply issues, were approved by Panel and implemented in March 2023. These rules put in place requirements for forecasting and ordering to cover up to delivery month September 2024.
16. These rules were subsequently adopted in SEC Section F5 through SEC MP215 which was implemented in June 2023. As such these rules are no longer required and DCC propose to remove them from the TCHODR.
17. A tracked changed version of the TCHODR are provided alongside this consultation which shows the removal of these rules.

Question One

Do you agree with the removal of the forecasting and ordering rules implemented in TCHODR V6.0? Please provide a rationale for your response.

5. Relaxation of Ordering Timing to Allow Flexibility in 4G Transition.

18. DCC is developing the next generation of CH for the C&S Region which utilises 4G communication. 4G go live is planned for June 2025 with first deliveries to customers taking place in July 2025.
19. In the event of an unforeseen issue or delay to the availability of 4G CHs, DCC is proposing to change the forecasting month on which final orders are based for 2/3G CH in the C&S Region only. Specifically, this proposal would reduce the time between the month in which the forecast is placed and the final order being delivered to allow Parties to make a later forecast. It is hoped that this change will help manage any unforeseen issues with

¹ CH&N Consultation on Phase 2 regulatory changes | Smart DCC / CH&N Consultation on further transitional provisions for the SEC | Smart DCC

the CH&N programme by allowing customers to receive 2/3G stock sooner in the event of a 4G delay.

20. This proposed amendment allows for flexibility should issues arise at Initial Pallet Validation (IPV) where parties can provide a later binding forecast of 2/3G orders. During engagement at SCWG and CTG this was noted as a key benefit.
21. SEC F5.10 requires that an order is within a tolerance of a forecast placed 12 months prior to delivery, where the order volume must be equal to or higher than 80% of the forecast or equal to or less than 120% of the forecasted volume. DCC proposes to amend this through the TCHODR to be based on the forecast provided 10 months prior to delivery instead of 12 months.
22. The proposed timing of the changes would result in last committed 12 month forecast placed in October 2024 to then transition to the 10 month forecast from December 2024. This will be achieved by amending F5.10 which sets the forecast date on which final order volume is based, amending that from the forecast provided 12 months prior to delivery to the forecast provided 10 months prior to delivery.
23. DCC proposes that these rules will last up to delivery month August 2025. This would see forecast provided in September 2025 will be used to set the ordering threshold for delivery month July, August and September 2026. Standard forecasting and ordering rules would apply for delivery month October 2026 onwards. DCC consider that allowing the TCHODR to run for this time period will allow for any 4G CH supply issues to be managed more efficiently, should these rules need to be extended further industry consultation could be completed.
24. A tracked changed version of the TCHODR are provided alongside this consultation which shows this amended timeline for 2/3G CH ordering timeline for the C&S Region.
25. For clarity there is no additional cost for DCC Parties in reducing the timeframe as proposed.

Question Two

Do you support the proposed change to the ordering timeline, do you consider that the amendment will benefit your organisation, and do you consider that the rules as drafted will have the effect of reducing the time between the forecasting and delivery months? Please provide a rationale for your response.

6. Next Steps

26. This consultation closes 06 September 2024. Responses should be sent to consultations@smartdcc.co.uk. If you have any questions regarding this consultation document or detail within, please contact consultations@smartdcc.co.uk
27. Full and detailed responses are requested so that progression of any new TCHODR can be fully informed. Once consultation responses have been received DCC will consider if stakeholders support the extension of the TCHODR and whether any amendments to the rules proposed in the TCHODR are required. Where the TCHODR receive support, DCC will seek approval from SEC Panel (or a delegated Sub-Committee) to implement the rules.
28. DCC will issue a consultation conclusion document and mass communications to confirm whether the TCHODR have been approved and implemented. DCC will also engage parties

through the Supply Chain Working Group and with individuals responsible for forecasting and ordering CHs for Parties.

7. How to respond

29. Please provide responses, using the response template published with this consultation, by 17:00 on 06/09/2024 to DCC at: consultations@smartdcc.co.uk
30. DCC will complete a summary of questions, comments and responses to be shared with SEC Panel and be added to the documentation of the consultation.
31. Consultation responses may be published on our website www.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 for Energy Security and Net Zero (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.