



Conclusion to the Consultation on Proposed Changes to the Temporary Communications Hub Ordering and Delivery Rules

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1. 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. Communication Hubs (CHs) are devices supplied by DCC to Parties and which connect to the Wide Area Network (WAN) and Home Area Network, through which communications are relayed to and from smart meters.
3. DCC customers are required to forecast and order CHs for each WAN Region in advance of delivery. These processes are set out in SEC Section F but can be overridden by the Temporary Communications Hub Ordering and Delivery Rules (TCHODR).
4. Through the Communications Hub & Network (CH&N) Programme DCC is working to introduce the next generation of CHs in the Communication Service Provider (CSP) Central and South (C&S) region in the summer of 2025, when there will be a need to transition from ordering 2/3G CHs to ordering 4G CHs.
5. There is a risk that issues or delays occur with 4G CH during the Initial Pallet Validation (IPV) stage of the CH&N Programme, which could impact the volume of overall CH available for delivery. The proposed changes to the TCHODR would allow Parties to manage the impact of that risk. The proposed changes would allow Parties more flexibility than the standard SEC rules and allow for a delayed 2G/3G CH submission where Parties could forecast to take in to account any 4G CH supply issues.
6. DCC proposed to utilise the TCHODR to reduce the time between Parties placing a CH Forecast and receiving the Order to help manage the risk and proposed to remove older rules which no longer apply.
7. The proposals have received positive feedback from early industry engagement from the Communications Transition Group (CTG) and Supply Chain Working Group (SCWG). DCC consulted on the proposals from 9 August 2024 to 6 September 2024¹.
8. On 24 September 2024 the proposals and industry feedback were presented to SEC Panel where they were approved for implementation. TCHODR V7 applies from that date and is published alongside this conclusion document.
9. Following feedback, industry engagement and final approval from SEC Panel, DCC is now setting out the conclusions to the August 2024 consultation.

¹ [Consultation to proposed changes to the Temporary Communications Hub Ordering and Delivery Rules | Smart DCC](#)

2. Introduction & Background

10. The requirements for CH forecasting and ordering are detailed in SEC Section F5¹. Section F5 describes the requirements for the provision of CH forecasts and orders, detailing the timing of those activities and the volume change allowed between a forecast and a final order.
11. SEC F5.1A allows for the existence of TCHODR, where reasonably required, and requires that DCC must only amend them in consultation with industry and with Panel approval. Any TCHODR would override standard SEC forecasting and ordering requirements.
12. In the August 2024 consultation DCC proposed two changes:
 - a. The removal of expired rules (V6.0).
 - b. A temporary two-month reduction in the time between placing a volume forecast and finalising the order volume for CHs.
13. This document sets out the following:
 - a. A summary of the consultation proposals and the responses that DCC has received (Section 3).
 - b. DCC conclusions and next steps, including decisions made by SEC Panel (Section 4).

3. Consultation Responses

3.1. Removal of V6.0 Rules

14. DCC proposed removal of the TCHODR (V6.0) rules. These were originally developed to manage CH supply issues² and were approved by Panel, and implemented, in March 2023. These rules put in place requirements for forecasting and ordering from March 2023.
15. These rules were subsequently adopted in SEC Section F5 through SEC MP215³ which was implemented in June 2023. As such these rules are no longer required and DCC proposed to remove them from the TCHODR.

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.

16. Question one asked Parties if they agreed that the expired rules should be removed from the TCHODR. DCC received one response to this consultation question from a large Supplier Party.
17. The response agreed that these rules are no longer required and should be removed from the TCHODR.

¹ SEC Section F – Smart Metering System Requirements ([smartenergycodecompany.co.uk](https://www.smartenergycodecompany.co.uk))

² Proposed changes to the Temporary Communications Hub Ordering and Delivery Rules | Smart DCC

³ Communications Hub Ordering and Forecasting - Smart Energy Code ([smartenergycodecompany.co.uk](https://www.smartenergycodecompany.co.uk))

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

18. Through the CH&N Programme DCC is developing, in consultation with parties¹, the next generation of CH for the 4G Central and 4G South Regions which utilises 4G communication. The 4G service is planned to go live in June 2025 with first deliveries to customers taking place in July 2025. Ordering of 2G/3G CHs will be phased out in these Regions as part of the CH&N Programme.
19. In the event of an unforeseen issue or delay to the availability of 4G CHs, DCC proposed 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 – this allows Parties to make a later forecast. This change is expected to allow customers to receive 2/3G stock sooner in the event of a 4G delay. During engagement at SCWG and CTG this was noted as a key benefit.
20. SEC F5.10 requires that an order is within a tolerance of a forecast placed 12 months prior to delivery. The volume of that order must be greater than or equal to 80% of the forecast or less than or equal to 120% of the forecasted volume. DCC proposed to amend this through the TCHODR to be based on the forecast provided 10 months prior to delivery instead of 12 months.
21. The proposed timing of the changes would result in last committed 12 month forecast being placed in October 2024, and allow a 10 month forecast to be placed from December 2024. This will be achieved by overriding F5.10 through the TCHODR, which sets the forecast date on which final order volume is based and delay the requirement to provide a forecast by 2 months.
22. DCC proposed that these rules should extend to delivery month August 2026. This means that the September 2025 forecast would be used to set the ordering threshold for delivery months July 2026, August 2026 and September 2026. Standard forecasting and ordering rules would apply for delivery month October 2026 onwards. DCC considers 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, further industry consultation would be required.
23. This proposal would apply to 2G/3G Central and 2G/3G South Regions only.
24. 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.

25. This question asked Parties if they agreed with the proposal to move the forecasting month on which final orders are based to 10 months before the delivery month.
26. In addition to the positive feedback from CTG and SCWG, DCC received one formal consultation response to this question, from a large Supplier Party. The consultation response supported the proposal but asked that DCC keep under consideration the need for the rules to revert back to SEC standard rules if circumstances allow.

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

27. DCC confirms that it will keep under review the need for these rules and consider the option to remove them early if circumstances allow.
28. Following feedback from SECAS, DCC has amended the reference to “CSP C&S” in the TCHODR to “2G/3G Central” and “2G/3G South”. This ensures the TCHODR aligns with the terminology in the Network Evolution Transition and Migration Approach Document and provides additional clarity.

4. Conclusion and Next Steps

29. DCC proposed amendments to the TCHODR to help manage the risk of 4G CH supply which were included in the August 2024 consultation.
30. A single consultation response was received to the August 2024 consultation. In an effort to gain further feedback DCC sought additional responses bilaterally from SEC Parties, but did not receive anything. Given the proposals that have been consulted upon are considered to relax requirements on SEC parties and the wider industry support provided through CTG, the SCWG and the single consultation response, DCC considered the proposed changes suitable for approval by SEC Panel.
31. On 24 September 2024 DCC presented the proposed changes to the TCHODR and details of Parties feedback to SEC Panel. SEC Panel approved the proposed changes, and these rules apply from the date of approval.
32. DCC will work with Parties bilaterally and through the SCWG to ensure they are aware of and understand the new TCHODR. As the rules come to an end DCC will work with parties to transition to SEC standard rules.
33. DCC will keep under review through the SCWG, as requested by the responder to the consultation, the need for the TCHODR and look to engage with Parties should it be deemed that they can end earlier.
34. The TCHODR V7.0 came into effect 24 September 2024 and is published alongside this conclusion document.