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8 November 2021

Dear Company Secretary,

**Smart Meter Communication Licence<sup>1</sup> ('the DCC Licence') Direction to comply with the obligations expressed to apply to the Licensee under the 'Market-wide Half-Hourly Settlement Implementation' section of the Balancing and Settlement Code**

On 11 August 2021, the Gas and Electricity Markets Authority ('the Authority') modified Licence Condition 21 of the DCC Licence to ensure compliance by the licence holder (known as the Smart Data Communications Company (DCC) Limited) with the provisions that the Authority was proposing to place in the Balancing and Settlement Code (BSC). The modification to the DCC Licence took effect on 6 October 2021.<sup>2</sup>

The BSC provisions place obligations on various parties to ensure they comply with and operate in accordance with the governance and management of Market-wide Half-Hourly Settlement (MHHS) implementation, as well as with obligations in respect of programme assurance. The provisions we proposed to place in the BSC are in line with our MHHS decision (April 2021)<sup>3</sup> and decision on implementation and governance arrangements for MHHS (August 2021).<sup>4</sup> On 30 September 2021 the Authority approved<sup>5</sup> the BSC modification proposal P423 and the modification came into force on 7 October 2021.

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<sup>1</sup> The Smart Meter Communication Licences granted pursuant to sections 6(1A) and (1C) of the Electricity Act 1989 and sections 7AB(2) and (4) of the Gas Act 1986 (such licences together referred to in the singular as 'the Licence').

<sup>2</sup> See Ofgem's [Decision on Statutory Consultation on proposed changes to Licence Condition 21 of the Smart Meter Communication Licence](#).

<sup>3</sup> See Ofgem's [Decision on MHHS](#).

<sup>4</sup> See Ofgem's [Decision on MHHS implementation arrangements](#).

<sup>5</sup> See Ofgem's decision on [BSC modification proposal P423](#).

The modification to the DCC Licence inserted two new paragraphs in Licence Condition 21 ('Roles in relation to Core Industry Documents'). These are as follows:

Paragraph 21.17, which states that "Although the Licensee is not required to become, and shall not be regarded as, a party to the Balancing and Settlement Code, the Licensee shall comply with the obligations expressed to apply to it (either specifically or generically as a category of participant) under the section titled 'Market-wide Half Hourly Settlement Implementation' of that Balancing and Settlement Code."

Paragraph 21.18, which specifies that "Paragraph 21.17 has effect from the date the Authority specifies in a direction issued to the licensee in the event that the Balancing and Settlement Code is modified to include the section referenced in paragraph 21.17 titled 'Market-wide Half Hourly Settlement Implementation' of that Balancing and Settlement Code."

In accordance with paragraph 18 of Licence Condition 21, the Authority hereby directs Smart Data Communications Company (DCC) Limited that paragraph 17 of Licence Condition 21 has effect on and from 8 November 2021. This means that from this date the Licensee is required to comply with any of the obligations expressed to apply to it (either specifically or generically as a category of participant) under the section of the Balancing and Settlement Code titled 'Market-wide Half Hourly Settlement Implementation'.

Yours faithfully

**Rachel Clark**

**Deputy Director, Retail**

Duly authorised on behalf of the Gas and Electricity Markets Authority

8 November 2021

**Direction given by the Gas and Electricity Markets Authority ('the Authority') pursuant to paragraph 18 of Licence Condition 21 (Market-wide Half hourly Settlement Implementation) of the Smart Meter Communication Licences granted pursuant to sections 6(1A) and (1C) of the Electricity Act 1989 and sections 7AB(2) and (4) of the Gas Act 1986 (together referred to as 'the Licence') to Smart DCC Ltd.**

Whereas:

1. Smart DCC Ltd<sup>6</sup> ('the Licensee') is the holder of the Licence.
2. On 11 August 2021, the Gas and Electricity Markets Authority ('the Authority') modified Licence Condition 21 of the DCC Licence to ensure compliance by the licence holder (known as the Smart Data Communications Company (DCC) Limited) with the provisions that the Authority was proposing to place in the Balancing and Settlement Code (BSC). The modification to the DCC Licence took effect on 6 October 2021.
3. On 30 September 2021 the Authority approved the BSC modification proposal P423 and the modification came into force on 7 October 2021. The BSC provisions place obligations on various parties to ensure they comply with and operate in accordance with the governance and management of Market-wide Half-Hourly Settlement (MHHS) implementation, as well as with obligations in respect of programme assurance.
4. Paragraph 17 of Licence Condition 21 states that "Although the Licensee is not required to become, and shall not be regarded as, a party to the Balancing and Settlement Code, the Licensee shall comply with the obligations expressed to apply to it (either specifically or generically as a category of participant) under the section titled 'Market-wide Half Hourly Settlement Implementation' of that Balancing and Settlement Code."
5. Paragraph 18 of Licence Condition 21 specifies that "Paragraph 21.17 has effect from the date the Authority specifies in a direction issued to the licensee in the event that the Balancing and Settlement Code is modified to include the section referenced in paragraph 21.17 titled 'Market-wide Half Hourly Settlement Implementation' of that Balancing and Settlement Code."

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<sup>6</sup> Registered as a Company in England and Wales under Company Number 08641679.

**Now** the Authority directs as follows:

6. Pursuant to paragraph 18 of Licence Condition 21, the Authority hereby directs Smart Data Communications Company (DCC) Limited that paragraph 17 of Licence Condition 21 has effect from 8 November 2021.
7. This direction shall have effect on and from the date it is issued. This means that from this date the Licensee is required to comply with any of the obligations expressed to apply to it (either specifically or generically as a category of participant) under the section of the Balancing and Settlement Code titled 'Market-wide Half Hourly Settlement Implementation'.
8. This document also constitutes a notice under section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986 of the reasons for the decision of the Authority to give this direction pursuant to paragraph 18 of Licence Condition 21.

Dated: 8 November 2021

Rachel Clark

Deputy Director, Retail

Duly authorised on behalf of the Gas and Electricity Markets Authority

8 November 2021