

# DCC Review: Summary

## Phase 1 Consultation



September 2022

## **Data Communication Company (DCC)**

DCC is a monopoly company that provides the communications infrastructure for smart metering across GB.

Capita is DCC's parent company and the current holder of the Smart Meter Communication Licence, awarded to it in a competitive tender by the government in 2013.

## **What are we consulting on?**

We are consulting on the scope and next steps of our review of the regulatory arrangements for the DCC ahead of the current licence coming to an end in 2025.

## **Desired outcome of this consultation?**

The objective of the review is to put in place an effective regulatory framework for a future DCC, which drives delivery of a quality service, is customer-centric, enables full accountability and decisive governance, allows DCC's role to evolve in an uncertain environment, and can maximise the value of DCC's infrastructure.

This consultation will inform our thinking and next steps on the design of the new regulatory framework and extension period if needed.

The consultation consists of five thematic chapters:

Chapter Titles	Summary
<b>Principles and Outcomes</b>	Sets out our identified principles of the review, representing a set of criteria used to assess different policy options for the new regulatory framework.
<b>Alternative regulatory models</b>	Sets out two broad options for a future regulatory framework developed from the analysis of regulatory models of comparable organisation and stakeholder views. We discuss these models, and variants of them, in terms of 5 key parameters: accountability and control, ownership, incentives, funding and the operational model. We evaluate both models against our principles and seek stakeholder views to inform our work on further detailed design in the next phase of the review.
<b>Transition period considerations</b>	In considering the two broad options for a future framework, we are seeking stakeholder views on whether a licence extension would be required to facilitate their design, implementation and transition, and the key trade-offs.
<b>Future role of DCC</b>	Outlines our considerations for a possible future role of DCC aiming to establish a common understanding of DCC's role and set out options for defining that role in the new framework.
<b>Price control change considerations</b>	Summarises stakeholder feedback to date on the transition to an <i>ex-ante</i> regime for DCC price control. Building on this feedback, we assess the effectiveness of both <i>ex-post</i> and <i>ex-ante</i> price control regimes and discuss their potential risks and benefits.

## Why is this of importance to you?

DCC's role in operating and maintaining a secure and reliable communications network for smart metering is integral to the ongoing and future initiatives needed to decarbonise our energy sector.

The transition to net-zero will effect how energy is used and accessed by consumers and how the market participants supply their consumers. Therefore, this consultation and any decision made hereafter on the DCC regulatory framework will be of importance to the following:

- DCC customers
- Energy suppliers
- Distribution network operations
- Consumer groups
- Stakeholders with interest in energy data, smart networks and innovation
- Other current or potential future users of the DCC network