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# ADE Response | Ofgem DCC review: Phase 1 Consultation | 16 January 2022

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## Context

The ADE welcomes the opportunity to respond to Ofgem's DCC review: Phase 1 Consultation.

The ADE is the UK's leading decentralised energy advocate, focused on creating a more cost effective, low-carbon and user-led energy system. The ADE has more than 150 members active across a range of technologies, including both the providers and the users of energy equipment and services. Our members have particular expertise in demand side energy services including demand response and storage, combined heat and power, heat networks and energy efficiency.

## Overall Evaluation

While much of the consultation is not of direct relevance to our work, we are happy to provide feedback on the questions relating to Chapter 5. We also note that the introduction of the Demand Flexibility Service (DFS) this winter made a powerful case for the acceleration of the smart meter rollout. How the DCC creates a secure and dependable data infrastructure to facilitate this transition is equally as important.

### **10. Do you agree with our proposed scope of future DCC's Core Mandatory Business?**

Yes. We support the continuation of the present scope but strongly oppose any extension of that scope, especially in relation to BEIS' work on the regulation of load controllers and energy smart appliances.

### **11. Should the future framework permit DCC to carry out any services additional to its Core Mandatory Business? What are your views on the concepts of 'mandated services', 'ancillary services' and 'additional services to users'?**

We do not believe the scope of the DCC should be extended in any way. Rather, the DCC should maintain focus on their core mandatory business and facilitate the transition to a smart, flexible energy system by providing a robust and dynamic data infrastructure system.

### **12. Do you agree with our proposed drivers for a controlled change in DCC's role? What are your views on the ways in which evolution of DCC's role can be managed?**

As above, we do not believe the DCC's scope should be alterable at present. Given performance issues over the last number of years, we are concerned with the capacity and capability of the DCC to undertake any further work. Rather, the DCC should be allowed to continue improving its current delivery and focus on the issues that will surely arise as the smart meter rollout nears completion. Ensuring the dependability of these services is indispensable for flexibility providers and ensuring the DCC delivers in a timely manner is key to achieving Ofgem and BEIS visions for DSR.

Furthermore, given the current gas price crisis and customers' inability to move suppliers, it is essential that when this period passes, customers are not faced with delayed and problematic switching experiences – as has persistently been the case to this point. Customer confidence in smart technologies is critical to the success and rollout of ToUTs and flexibility offerings, and by implication achieving net zero. Therefore, it is crucial that DCC eliminate or minimise these current issues long before being afforded any more scope.

**13. Do you agree that the future framework should enable exploration of re-use of DCC's infrastructure? What are your views on the specific conditions and measures that may need to be in place to enable it?**

We do not believe the DCC should be permitted to explore Value Added Services both for the above reasons and because of the potential unintended consequences it may have on growing sectors such as EV charging and HEMs. By stifling innovation, such a move would threaten the accelerating rollout of these technologies and their continually falling costs. In order to achieve our 2035 and 2050 goals, we must allow these markets to flourish and adding investment uncertainty by introducing a monopoly actor threatens that growth.

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**For further information please contact:**

Sarah Honan  
Policy Manager  
Association for Decentralised Energy  
[Sarah.honan@theade.co.uk](mailto:Sarah.honan@theade.co.uk)

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