

Jakub Komarek
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Sent by email to: DCCregulation@ofgem.gov.uk

6th June 2025

Dear Jakub,

**Smart DCC Ex-Ante licence changes, Customer Challenge Group, Business Plan
Guidance Consultation**

Thank you for the opportunity to comment on the proposed legal drafting of Smart DCC's licence during the transition period, with the introduction of the ex-ante business plan.

Centrica's response is not confidential and may be published.

We agree that the licence changes reflect the intent of policy decisions for the transitional period. However, we question whether the Customer Challenge Group (CCG) should be explicitly mentioned in the licence rather than the SEC Panel, given CCG's independence from the Panel.

Our other minor point on the Licence drafting is listed in the appendix.

We welcome the introduction of the CCG including early sight and ability to challenge the DCC's business plan, thereby reducing the asymmetry of knowledge between DCC and its stakeholders. However, we strongly believe that the CCG would benefit from having more customer representatives than three large energy suppliers etc.

More customer representatives would increase the knowledge of the group without potentially the need to hire external consultants and keep the knowledge of the business plan process within the industry for future business plans and reopeners. It would also lessen the burden on a smaller CCG membership for continuity of knowledge and past challenges. A larger membership could benefit DCC is reducing similar conversations and explanation of past decisions.

Our other points on the CCG's ToR can be found in the appendix.

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The Regulatory Information and Guidance (RIGs) must be reviewed to ensure that the assumptions behind the costs are captured in enough detail to enable comparison to actual spend and allow reopeners to be unambiguously considered. We are concerned that the RIGs are currently too high level, particularly on performance outcomes, to drive quality comparisons, especially for reopeners. We are happy to support with a review of the RIGs, please let us know if you would welcome our involvement.

Always happy to discuss further, my contact details are below.

Yours sincerely,

Rochelle Harrison
Regulatory Manager
Centrica Regulatory Affairs & Policy

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Send via email.

Appendix – Centrica comments on draft legal text

Proposed Amendments to DCC Licence

There appears to be an error in 34A.12(a) – should read ‘on or before’ not ‘on our before’.

We are surprised that the CCG is not explicitly mentioned in the Licence, however the SEC Panel is. Given that the CCG is independent to the SEC Panel it should be included in the Licence.

Customer Challenge Group Terms of Reference (ToR)

Whilst we note that the CCG can utilise experts within the group, it is unclear to us if the CCG can commission external analysis, such as benchmarking costs or risk assessment of future technology. External analysis might be useful to add to CCG’s ToR.

We are also uncertain about the appointment of members; it appears that the SEC Panel chooses each member but is it just SEC Panel members within a particular cohort or the SEC Panel as a whole. We believe that each cohort should vote for its own members (like SEC subcommittees now) and should not be left to the SEC Panel to decide, unless for a split decision or to approve the vote.