



Making a positive difference
for energy consumers

Angela Love

SEC Panel Chair

SECAS

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77 Gracechurch Street,

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Date: 19 November 2025

Dear Angela,

Smart Energy Code (SEC) Modification Proposal SECMP308 'Out of Region Communications Hubs' – Decision on Urgency

The Data Communications Company (DCC) (the ‘Proposer’) raised Smart Energy Code modification proposal SECMP308¹ on 17 November 2025. The Proposer also requested that a status of ‘Urgent’ be assigned to this modification proposal. The SEC Panel met on 18 November 2025 to discuss this modification and that request. Following the meeting, we² received a request for decision from the Smart Energy Code Administrator (SECAS) about whether SECMP308 can be treated as an urgent modification proposal.

This letter sets out our decision that SECMP308 should be progressed on an urgent basis.

Background

Under SEC requirements (Appendix H, I and AD)³, Communications Hubs (CHs) must be installed only within designated Smart Meter Wide Area Network (SM WAN) regions:

¹ [Smart Energy Code modification DP308 Out of Region Communications Hubs](#)

² References to the “Authority”, “Ofgem”, “we”, and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

³ Smart Energy Code [Appendix H](#), [Appendix I](#) and [Appendix AD](#)

2G/3G CHs in CSP (Communication Service Provider) Central & South (C&S), it would not support any 2G/3G CHs outside C&S and would proceed to disconnect any OOR installations on 1 January 2026 from the network.

In July 2025, the Data Communications Company (DCC) consulted⁴ on future solutions for these OOR CHs, presenting options to either stop OOR installations or establish a new contract with the CSP C&S service provider for a fixed number of OOR CHs. Most respondents rejected the commercial proposal, opting to end OOR installations and replace all OOR CHs by 31 December 2025.

If these CHs are disconnected from 1 January 2026 this will affect around 45000 consumers who would lose smart functionality if not replaced. While some Suppliers have committed to replacing OOR CHs for their consumers before this deadline a significant proportion may still be affected. This could result in loss of remote load switching or for any prepayment consumers the ability to remotely top-up their meter. This could lead to potential detriment for these consumers and also an increased pressure on energy suppliers to resolve this situation over the new year period if consumers lose supply.

The Proposer has raised SECMP308 to ensure that these OOR CHs remain connected and to allow DCC to enter into commercial agreement with CSP C&S service provider to extend this service to the North Region to allow continued SM WAN connection for OOR CHs for a limited period. This modification will provide a charging mechanism by which suppliers operating OOR CHs are charged pro-rata based on their share of the volume of OOR CHs. It should be noted that this proposal does not facilitate or enable further OOR CH installations which will continue to be non-compliant with the SEC and stop immediately.

Panel View

At the SEC Panel meeting on 18 November 2025, the Panel unanimously agreed to recommend to Ofgem that SECMP308 should be progressed as an urgent modification proposal.

⁴ [DCC Consultation Out-of-Region Communications Hub Installations](#)

Our decision

In reaching our decision on the urgency of SECMP308 we have considered the details within the proposal, the justification for urgency, and the views of the Panel. We have also assessed the request against the urgency criteria set out in our published guidance.⁵

Our guidance sets out that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed, may cause:

- a significant commercial impact on parties, consumers, or other stakeholder(s)

We agree that the issue raised by the Proposer is both current and requires immediate attention. If not urgently addressed, it may have a significant commercial impact on parties and could result in considerable detriment to consumers. Without timely change, there is a risk that consumers could lose essential smart functionality including Time of Use (TOU) tariff switching resulting in loss of heating, hot water, and remote top-up services for those on prepayment. Should these risks materialise, suppliers may face substantial commercial consequences, including the need to undertake urgent or emergency metering work.

Ofgem has consistently emphasised the importance of suppliers replacing RTS meters swiftly so that consumers can benefit from smart meters. We recognise that suppliers have acted to protect consumers during the RTS switch-off. We also acknowledge that the Proposer has developed a potential solution that seeks to allocate costs fairly, based on the number of OOR communications hubs each supplier has in their portfolio. This approach gives suppliers additional time to replace OOR communications hubs with either the correct CSP N CH or a 4G CH.

Given that this modification should be implemented before the disconnection date of 1 January 2026 provided by the CSP C&S we are also in agreement that it is an imminent and current issue that may cause a significant impact on consumers and energy suppliers.

⁵ [Ofgem Guidance on Code Modification Urgency Criteria](#)

We therefore direct that this modification proposal is treated as urgent.

We agree the modification should follow the urgent timetable set out below:

Process	Date
Ofgem Decision on Urgency	19 November 2025
Consultation Commences	24 November 2025
Consultation Close-out for representations	26 November 2025
Final Modification Report available for Panel	27 November 2025
Modification Panel recommendation	28 November 2025

Regarding the Urgent modification Consultation, whilst we have set out an urgent timetable above, we expect that the consultation period will ensure that all SEC Parties with an interest in this modification are given adequate time to respond and outline their reasons in support or against this modification. We would expect that if the consultation period needed to be extended to give adequate time to all SEC Parties with an interest to respond appropriately, then this should be arranged. This is a critical part of the development of any modification and given the potential significant commercial impact on SEC Parties, this will enable to the Authority to make an informed decision on the Final Modification Report.

To note, in granting the request for urgency, we have made no assessment of the merits of the Proposal and nothing in this letter in any way fetters our discretion in respect of the Proposal.

If you have any comments or questions about this letter, please contact

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Yours sincerely,

Michael Walls

Head of Smart Metering and Retail Market Operations

Duly authorised on behalf of the Authority