

Ofgem decision to Approve SECMP311: Additional Out of Region Communications Hubs Amendments

Decision: The Authority¹ determines that this modification² should be made³

Target audience: Data and Communications Company (DCC), Smart Energy Code (SEC) Panel, Parties to the SEC and other interested parties

Date of publication: 09 January 2026

Implementation date: 12 January 2026

Background

We approved SEC modification MP308⁴ Out of Region (OOR) Communications Hubs (CH) on 3 December 2025 and it was implemented in to SEC the following working day. This modification allowed the Data Communications Company (DCC) to put in place a commercial agreement to recover costs related to OOR CHs where these were incurred. This ensured that these CHs would continue to operate following plans by the Communications Service Provider (CSP) to disconnect these OOR CHs on 1 January 2026 and to prevent any detriment to the consumers who have these installed.

¹ 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.

² ‘Change’ and ‘modification’ are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and by section 38A of the Gas Act 1986.

⁴ [Ofgem Decision to approve MP308](#)

Following implementation, it was identified that the legal text in MP308 was not completely aligned with the intent of the modification. Under the DCCs Smart Meter Communication Licence (the “SMCL”) there is a requirement to ensure that charging does not distinguish between consumers in different parts of Great Britain.⁵ In its current format MP308 could result in DCC breaching its licence conditions.

The modification proposal

Modification proposal MP311 was raised by the DCC (The Proposer) on 5 December 2025. This modification seeks to ensure that charging related to OOR CHs is non-discriminatory and DCC remain compliant with the SMCL.

This change would remove the term “WAN Variant” from the legal text which was added to the SEC as part of MP308. This specifically affects Section K7.6 paragraph (ea) of the SEC. This would mean charging for OOR CHs will be applied across all OOR CHs regardless of region.

The Proposer has made it clear that the removal of this text does not affect the solution or the charging mechanism put in place by MP308 and only ensures that DCC is compliant with the SMCL when recovering these costs.

SEC Change Board⁶ recommendation

At the SEC Change Board meeting on 05 January 2026, a majority of the Change Board considered that MP311 would better facilitate the SEC Objectives, and the Change Board therefore recommended its approval.

⁵ SMCL Condition 18.15 The First Relevant Policy Objective

⁶ The SEC Panel and Change Board are established and constituted pursuant to and in accordance with SMCL condition 22.26(a).

We note that two Network Party representatives were not present to vote at the Change Board meeting resulting in the Change Board not being quorate. However, all voting parties present at the meeting voted in favour of this modification. The code administrator has committed to ratifying the vote for this modification at the next Change Board. We further note that had the Network Parties not present voted to abstain or reject this modification, there would still have been sufficient support by the Change Board to recommend approval of MP311.

Our decision

We have considered the issues raised by the proposal and the Change Report dated 05 January 2026. We have considered and taken account of the votes of the SEC Change Board on the proposal which is attached to the Change Report. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the SEC Objectives⁷
- directing that the change is approved is consistent with the Authority's principal objective and statutory duties⁸

Reasons for our decision

We consider this modification proposal will better facilitate SEC Objective (b) and has a neutral impact on the other applicable Objectives.

⁷ The Objectives in accordance with DCC Licence 22.10-22.17

⁸ The Authority's principal objective and statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Gas Act 1986 (as amended) and Electricity Act 1989 (as amended).

- b) enable the Licensee to comply at all times with the General Objectives of the SMCL, and to efficiently discharge the other obligations imposed upon it by the SMCL**

The Proposer believes that this modification will better facilitate relevant objective (b) as it will ensure that DCC remains compliant with its licence obligations following the implementation of the first charging statement post MP308 implementation.

Respondents to the consultation were in favour of this modification. One respondent observed that, following the implementation of this modification, DCC should ensure its service providers are held accountable in cases where the OOR CH is reconnected to the network is restored after MP308 is applied, yet the affected communications hubs fail to communicate with suppliers. The respondent called for DCC to dispute charges for OOR CHs in instances where communication has been lost but the CH remains in place.

Although during Change Board voting on this modification not all voting parties were present, we are satisfied that these parties had the opportunity to respond to the consultation to raise any questions or express any concerns they had with this modification.

We agree with the Proposers view that this modification will better facilitate relevant objective (b). This modification will ensure that the original intent of MP308 is maintained while also ensuring DCC remains compliant with the SMCL. We also support the respondents view that in instances where OOR CHs have been reconnected and these have not re-established communications DCC and its service providers should continue to support Suppliers to resolve these issues.

For the reasons set out above we consider that this modification better supports relevant objective (b).

Decision notice

In accordance with standard licence condition 23 of the SMCL, the Authority hereby determines that modification proposal SEC MP311: Additional Out of Region Communications Hubs Amendments be made.

Michael Walls

Head of Smart Metering and Retail Market Operations

Signed on behalf of the Authority and authorised for that purpose