

Smart DCC Limited and any
interested parties

Direct Dial: 020 7901 3949

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Date: 28 May 2021

Dear stakeholders,

Statutory consultation - proposal to modify the Smart Meter Communication Licence to ensure compliance by the licence holder with provisions of the Balancing and Settlement Code (BSC) relating to Market-wide Half-hourly Settlement (MHHS) implementation

Background

On 20 April 2021, we published our decision to implement Market-wide Half-hourly Settlement (MHHS).¹ In our Decision Document, we stated that we would be consulting on the governance and implementation proposals to further support the industry-led delivery of MHHS. On 23 April 2021, we published a consultation providing further detail and clarity about the proposed implementation and governance arrangements for MHHS.² This consultation closes on 25 June 2021.

In our consultation, we have set out proposed code obligations to be placed on MHHS programme parties to ensure effective and timely implementation of MHHS. We stated that we would be consulting on changes to the Smart Meter Communication Licence to bring the licence holder, the Data Communications Company (known as Smart DCC Limited), within the scope of these MHHS implementation obligations.

Proposed licence changes

¹ Our [MHHS Decision](#) is on the Ofgem website.

² The [MHHS Consultation on Implementation and Governance Arrangements](#) is on the Ofgem website.

Smart DCC Limited is the provider of the smart meter communications system and will be required to make changes to its systems and business processes to deliver MHHS implementation. We propose that Smart DCC Limited be subject to the same obligations to operate in accordance with the programme in relation to the development of the central DCC systems as other programme parties that have to make changes to systems and/or business processes. This will ensure a consistent and collaborative approach to making the changes that will be needed for effective and timely MHHS implementation.

We propose to introduce the obligations through an addition to the Smart Meter Communication Licence, in Standard Licence Condition (SLC) 21. This will require Smart DCC Limited to comply with the MHHS implementation provisions planned to be placed in the Balancing and Settlement Code (BSC). The statutory consultation notice published alongside this letter provides the drafting for the proposed addition to the Licence.

The benefits of MHHS we have outlined in the MHHS Decision Document (net GB consumer benefits of £1.6-4.5 billion) will best be achieved if all programme parties work effectively together and in a timely way to implement MHHS. Smart DCC Limited has a key role to play in MHHS and so, to ensure a successful implementation of MHHS, we believe Smart DCC Limited should be bound by the same obligations as other programme parties. This will ensure all programme parties have the same expectations placed upon them, and the same requirement to deliver against the transition timetable. Placing code obligations on Smart DCC Limited as we propose will complement the existing duty to cooperate licence condition in the Smart Meter Communication Licence.

Consultation

The statutory consultation closes on 25 June 2021. Please send responses to:

Halfhourlysettlement@ofgem.gov.uk

Unless marked confidential, all responses will be put in Ofgem's library and on our website, www.ofgem.gov.uk. You can ask for your response to be kept confidential and we will respect this subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. If you would like your response to be kept confidential, clearly mark your documentation to that effect and include the reasons for confidentiality.

If you have any questions in relation to this letter, please contact Abid Sheikh by email (Halfhourlysettlement@ofgem.gov.uk) or on 0141 331 6011.

Yours sincerely,

Anna Stacey
Head of Settlement Reform