

**To: Smart DCC Limited**

**Gas Act 1986 – Section 23(2)  
Electricity Act 1989 – Section 11A(2)**

**Notice of statutory consultation on a proposal to modify the conditions of the smart meter communication licence**

1. The Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> proposes to modify the conditions of the Smart Meter Communication Licence granted or treated as granted under section 7AB(2) and (4) of the Gas Act 1986 and section 6(1A) and (1C) of the Electricity Act 1989 ('the DCC Licence') by amending Licence Condition 21.
2. We are proposing this modification in line with our decision on Market-wide Half Hourly Settlement (MHHS) and consultation on implementation and governance arrangements for MHHS (April 2021).<sup>2</sup> We propose to make changes to the Balancing and Settlement Code (BSC) that will place obligations on various parties, including the DCC, to ensure they comply with and operate in accordance with the governance and management of MHHS implementation, as well as with obligations in respect of programme assurance. There is further information about these proposals and the reason for making the proposed licence change in the letter accompanying this notice.<sup>3</sup>
3. Once we make decisions on and include these obligations in the BSC, the proposed modification will, through this proposed new licence obligation, ensure that DCC complies with any of these obligations that are placed on it. We expect this licence condition will take effect through a direction issued to the licensee from the Authority. This will be at the same time, or shortly after, the MHHS Implementation BSC code modification is made.
4. The proposed modification to licence condition 21 is set out in Schedule 1. A copy of the proposed modification and other documents referred to in this Notice have been published on our website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)). Alternatively, they are available from [foi@ofgem.gov.uk](mailto:foi@ofgem.gov.uk).
5. Any representations with respect to the proposed licence modification must be made on or before 25 June 2021 by email to [Halfhourlysettlement@ofgem.gov.uk](mailto:Halfhourlysettlement@ofgem.gov.uk).
6. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
7. If we decide to make the proposed modification, it will take effect on the date the Authority specifies in a direction issued to the licensee, the specified date being not less than 56 days after the decision is published.

---

<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

<sup>2</sup> The [MHHS Decision](#) and the [MHHS Consultation on Implementation and Governance Arrangements](#) are on the Ofgem website.

<sup>3</sup> The statutory consultation [cover letter](#) can be found on the Ofgem website.



Making a positive difference  
for energy consumers

.....  
**Anna Stacey**  
**Head of Settlement Reform**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**28 May 2021**

## Schedule 1

### PROPOSED MODIFICATION TO THE SMART METER COMMUNICATION LICENCE

In Licence Condition 21 ("Roles in relation to Core Industry Documents") in Chapter 6 of the Licence, insert the following text after Part G:

#### **"Part H: Market-wide Half hourly Settlement Implementation"**

21.17 Although the Licensee is not required to become, and shall not be regarded as, a party to the Balancing and Settlement Code, the Licensee shall comply with the obligations expressed to apply to it (either specifically or generically as a category of participant) under the section titled 'Market-wide Half Hourly Settlement Implementation' of that Balancing and Settlement Code.

21.18 Paragraph 21.17 has effect from the date the Authority specifies in a direction issued to the licensee in the event that the Balancing and Settlement Code is modified to include the section referenced in paragraph 21.17 titled 'Market-wide Half Hourly Settlement Implementation' of that Balancing and Settlement Code."