



Department for
Energy Security
& Net Zero

Smart Meter Targets Framework

Government response to a consultation on
minimum installation requirements for Year 3
(2024) and Year 4 (2025)

ANNEX D: Amendments to Electricity Supply
Standard Licence Condition 39A and Gas
Supply Standard Licence Condition 33A



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Electricity Supply Standard Licence

Condition 39A: Qualifying Metering System – Post-2020 Roll-out and Installations

The Post-2020 Roll-out Duty

- 39A.1 Paragraph 39A.2 applies in respect of a Rollout Year where the Secretary of State has, in accordance with paragraph 39A.7(a) or (b), specified the value, or the methodology for calculating the value, of T_y , $DOMT_3$, $DEST_3$, $DOMT_4$ or $DEST_4$ (as the case may be) for that Rollout Year.
- 39A.2 Where this paragraph applies in respect of a Rollout Year, the licensee must ensure that, the number of Qualifying Metering Systems that are installed in:
- (a) Qualifying Relevant Premises in:
 - (i) the First Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5-(a);
 - (ii) the Second Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5(b);
 - (b) Qualifying Relevant Domestic Premises in:
 - (i) the Third Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5(c);
 - (ii) the Fourth Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5(e);
 - (c) Qualifying Relevant Designated Premises in:
 - (i) the Third Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5(d);
 - (ii) in the Fourth Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 39A.5(f).

Qualifying Metering Systems

39A.3 For the purposes of this condition, a **Qualifying Metering System** means any of the following:

- (a) in respect of any Rollout Year, a Smart Metering System;
- (b) in respect of only the First Rollout Year and the Second Rollout Year, an Advanced Meter installed in the Designated Premises of a Non-MB Consumer in accordance with the requirements of paragraph 39.13(b) of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance);
- (c) in respect of only the Third Rollout Year and the Fourth Rollout Year, an Advanced Meter installed in a Designated Premises in accordance with any of the requirements of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance);
- (d) in respect of any Rollout Year, a Current Transformer Electricity Meter, installed in either Designated Premises or Domestic Premises, that is an Advanced Meter.

Qualifying Relevant Premises, Qualifying Relevant Domestic Premises and Qualifying Relevant Designated Premises

39A.4 For the purposes of this condition, **Qualifying Relevant Premises** means:

- (a) a Domestic Premises ~~or Designated Premises~~ in respect of which the licensee is the Relevant Electricity Supplier and at which there is installed neither:
 - (i) a Smart Metering System; nor
 - (ii) an Advanced Meter installed in accordance with the requirements of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance)-,

(and for the purposes of this condition any such Domestic Premises is a **Qualifying Relevant Domestic Premises**), and

- (b) a Designated Premises in respect of which the licensee is the Relevant Electricity Supplier and at which there is installed neither:
 - (i) a Smart Metering System; nor

-
- (ii) an Advanced Meter installed in accordance with the requirements of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance),

(and for the purposes of this condition any such Designated Premises is a **Qualifying Relevant Designated Premises**).

The Target

39A.5 For the purposes of this condition, ~~the target number referred to in paragraph 39A.2 shall in relation to:~~

- (a) ~~each of the target number referred to in paragraph 39A.2(a)(i) shall in relation to the First, Third and Fourth Rollout Years~~ be calculated in accordance with the following formula:

$$N_y = \left(\frac{1}{a_y} RSMS_y \right) - T_y$$

where:

N_y means the target number for **the First** Rollout Year **y**;

a_y means a number which is used to calculate a proportion, and shall be equal for **the First** Rollout Year **y** to the number specified for that Rollout Year in the table at paragraph 39A.6;

$RSMS_y$ means, in relation to **the First** Rollout Year **y**, the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of **that** Rollout Year **y**;

T_y means a number representing a tolerance level, which shall have the value that is determined in accordance with paragraph 39A.7(a); and

y means the **First** Rollout Year ~~specified in the table at paragraph 39A.6;~~

- (b) ~~the target number referred to in paragraph 39A.2(a)(ii) shall in relation to the Second Rollout Year be the lower of the numbers resulting from the calculation of the following formulas:~~

(i) $N_y = \left(\frac{1}{3} (TMS_y - (S_1 + NQ_1)) \right) - T_y$; and

(ii) $N_y = \left(\frac{1}{3} RSMS_y \right) - T_y$

where:

N_y means the target number for the Second Rollout Year (but where when calculated in accordance with either of the above formulas N_y would be a negative number, it shall be deemed to be zero for the purposes of this condition);

$RSMS_y$ means the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Second Rollout Year;

TMS_y means the number of Domestic Premises and Designated Premises in respect of which the licensee is the Relevant Electricity Supplier at the start date of the Second Rollout Year,

S_1 means:

(i) the number of Domestic Premises and Designated Premises in respect of which the licensee was the Relevant Electricity Supplier on, and at which a Qualifying Metering System was installed by, the date which immediately precedes the start date of the First Rollout Year; plus

(ii) where applicable, the number of Last Resort Supply Premises;

NQ_1 means the number of Qualifying Relevant Premises at which the licensee installed a Qualifying Metering System during the First Rollout Year;

T_y means a number representing a tolerance level for the Second Rollout Year, which shall have the value that is determined in accordance with paragraph 39A.7(a); and

y means the Second Rollout Year,

save that with regard to the terms S_1 and NQ_1 the number of Domestic Premises and Designated Premises in respect of which the licensee ceased to be the Relevant Electricity Supplier during the First Rollout Year by virtue of a Supplier-Led Transfer shall not be counted for the purposes of the calculation;

- (c) the target number referred to in paragraph 39A.2(b)(i) shall in relation to the Third Rollout Year be calculated in accordance with the following formula:

$$N_3 = \left(\frac{1}{2} DOMRSMS_3\right) - DOMT_3$$

where:

N_3 means the target number for the Third Rollout Year for Qualifying Relevant Domestic Premises (but where when calculated in accordance with the above formula N_3 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

$DOMRSMS_3$ means the number of Qualifying Relevant Domestic Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Third Rollout Year; and

$DOMT_3$ means a number representing a tolerance level for the Third Rollout Year which shall have the value that is determined in accordance with paragraph 39A.7(b);

- (d) the target number referred to in paragraph 39A.2(c)(i) shall in relation to the Third Rollout Year be the lower of the numbers resulting from the calculation of the following formulas:

(i) $N_3 = \left(\frac{1}{2}(DESTMS_3 - (DESS_2 + DESNQ_2))\right) - DEST_3$; and

(ii) $N_3 = \left(\frac{1}{2} DESRSMS_3\right) - DEST_3$

where:

N_3 means the target number for the Third Rollout Year for Qualifying Relevant Designated Premises (but where when calculated in accordance with either of the above formulas N_3 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

$DESRMS_3$ means the number of Qualifying Relevant Designated Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Third Rollout Year;

$DESTMS_3$ means the number of Designated Premises in respect of which the licensee is the Relevant Electricity Supplier at the start date of the Third Rollout Year,

$DESS_2$ means:

(i) the number of Designated Premises in respect of which the licensee was the Relevant Electricity Supplier on, and at which a Qualifying Metering System was installed by, the date which immediately precedes the start date of the Second Rollout Year; plus

(ii) where applicable, the number of Last Resort Supply Premises;

$DESNQ_2$ means the number of Qualifying Relevant Designated Premises at which the licensee installed a Qualifying Metering System during the Second Rollout Year; and

$DEST_3$ means a number representing a tolerance level for the Third Rollout Year which shall have the value that is determined in accordance with paragraph 39A.7(b),

save that with regard to the terms $DESS_2$ and $DESNQ_2$:

(i) the number of Designated Premises in respect of which the licensee ceased to be the Relevant Electricity Supplier during the Second Rollout Year by virtue of a Supplier-Led Transfer; and

-
- (ii) the number of Designated Premises which during the Second Rollout Year were reclassified as Domestic Premises and in respect of which the licensee continued to be the Relevant Electricity Supplier for the remainder of the Second Rollout Year;

shall not be counted for the purposes of the calculation;

- (e) the target number referred to in paragraphs 39A.2(b)(ii) shall in relation to the Fourth Rollout Year be calculated in accordance with the following formula:

$$N_4 = \text{DOMRSMS}_4 - \text{DOMT}_4$$

where:

N_4 means the target number for the Fourth Rollout Year for Qualifying Relevant Domestic Premises (but where when calculated in accordance with the above formula N_4 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

DOMRSMS_4 means the number of Qualifying Relevant Domestic Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Fourth Rollout Year; and

DOMT_4 means a number representing a tolerance level for the Fourth Rollout Year which shall have the value that is determined in accordance with paragraph 39A.7(b); and

- (f) the target number referred to in paragraph 39A.2(c)(ii) shall in relation to the Fourth Rollout Year be calculated in accordance with the following formula:

$$N_4 = \text{DESRMS}_4 - \text{DEST}_4$$

where:

N_4 means the target number for the Fourth Rollout Year for Qualifying Relevant Designated Premises (but where when calculated in accordance with the above formula N_4 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

DESRMS₄ means the number of Qualifying Relevant Designated Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Fourth Rollout Year; and

DEST₄ means a number representing a tolerance level for the Fourth Rollout Year which shall have the value that is determined in accordance with paragraph 39A.7(b).

39A.6 For the purposes of paragraph 39A.5(a), in ~~each~~ the First Rollout Year ~~y~~, the value of a_y shall be that which is set out in respect of that Rollout Year in the table immediately below:

Rollout Year (y)	Value of a_y
First Rollout Year	4
Second Rollout Year	N/A
Third Rollout Year	2 N/A
Fourth Rollout Year	4 N/A

39A.7 For the purposes of ~~paragraph~~:

- (a) ~~paragraphs 39A.5(a) and (b), for each Rollout Year y~~ the value of T_y , for the Rollout Year in respect of which each such paragraph applies, shall be equal to the value (for that term) which is specified in, or calculated in accordance with a methodology specified in, a document published and issued by the Secretary of State for the purposes of this Condition 39A, following consultation with all holders of Gas Supply Licences and Electricity Supply Licences and such other persons as the Secretary of State considers appropriate;
- (b) ~~paragraphs 39A.5(c), (d), (e) and (f)~~ the value of $DOMT_3$, $DEST_3$, $DOMT_4$ and $DEST_4$ (as the case may be for the Rollout Year in respect of which each such paragraph applies), shall be equal to the value (for that term) which is specified in, or calculated in accordance with a methodology specified in, any one or more document published and issued by the Secretary of State for the purposes of this Condition 39A, following consultation (which may be undertaken prior to or

after the date on which this paragraph comes into force) with all holders of Gas Supply Licences and Electricity Supply Licences and such other persons as the Secretary of State considers appropriate.

39A.8 The provisions of:

- (a) paragraph 39A.7(a) may be relied upon by the Secretary of State on more than one occasion by means of any document which, from time to time, expressly replaces the previous value that is specified for, or previous methodology for calculating, T_y in accordance with that paragraph;
- (b) paragraph 39A.7(b) may be relied upon by the Secretary of State on more than one occasion by means of any one or more document which, from time to time, expressly replaces the previous value that is specified for, or previous methodology for calculating (as the case may be) $DOMT_3$, $DEST_3$, $DOMT_4$, and $DEST_4$ in accordance with that paragraph.

Definitions

39A.9 For the purposes of this condition:

Advanced Meter	has the meaning given to it in standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).
First Rollout Year	means the twelve month period beginning on the date immediately following the ARS Specified Date.
Fourth Rollout Year	means the twelve month period beginning on the date immediately following the last date of the Third Rollout Year.
Last Resort Supply Premises	means: <ul style="list-style-type: none">(a) for the purposes of paragraph 39A.5(b), any Domestic Premises or Designated Premises at which:

-
- (i) the licensee became the Relevant Electricity Supplier during the First Rollout Year by virtue of a Last Resort Supply Direction issued by the Authority to the licensee pursuant to standard condition 8 (Obligations under Last Resort Supply Direction); and
 - (ii) there was installed a Qualifying Metering System by the date immediately prior to the date on which the Last Resort Supply Direction had effect; and
- (b) for the purposes of paragraph 39A.5(d), any Designated Premises at which:
- (i) the licensee became the Relevant Electricity Supplier during the Second Rollout Year by virtue of a Last Resort Supply Direction issued by the Authority to the licensee pursuant to standard condition 8 (Obligations under Last Resort Supply Direction); and
 - (ii) there was installed a Qualifying Metering System by the date immediately prior to the date on which the Last Resort Supply Direction had effect.

Non-MB Consumer

has the meaning given to that expression in standard condition 39 (Smart Metering

System – Roll-out, Installation and Maintenance).

Qualifying Metering System has the meaning given to that expression in paragraph 39A.3.

Qualifying Relevant Designated Premises has the meaning given to that expression in paragraph 39A.4(b).

Qualifying Relevant Domestic Premises has the meaning given to that expression in paragraph 39A.4(a).

Qualifying Relevant Premises has the meaning given to that expression in paragraph 39A.4.

Rollout Year means each of the following:

- (a) First Rollout Year;
- (b) Second Rollout Year;
- (c) Third Rollout Year; and
- (d) Fourth Rollout Year.

Second Rollout Year means the twelve month period beginning on the date immediately following the last date of the First Rollout Year.

Supplier-Led Transfer means, in relation to the supply of electricity to a Domestic Premises or a Designated Premises, the transfer of responsibility for that supply from the licensee to an Affiliate Electricity Licensee where the transfer was not initiated by or at the request of the Customer at the premises.

Third Rollout Year

means the twelve month period beginning on the date immediately following the last date of the Second Rollout Year.

Gas Supply Standard Licence Condition 33A: Qualifying Metering System – Post- 2020 Roll-out and Installations

The Post-2020 Roll-out Duty

- 33A.1 Paragraph 33A.2 applies in respect of a Rollout Year where the Secretary of State has, in accordance with paragraph 33A.7(a) or (b), specified the value, or the methodology for calculating the value, of T_y , $DOMT_3$, $DEST_3$, $DOMT_4$ or $DEST_4$ (as the case may be) for that Rollout Year.
- 33A.2 Where this paragraph applies in respect of a Rollout Year, the licensee must ensure that, the number of Qualifying Metering Systems that are installed in:
- (a) Qualifying Relevant Premises in:
 - (i) the First Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5(a);-
 - (ii) the Second Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5(b);
 - (b) Qualifying Relevant Domestic Premises in:
 - (i) the Third Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5(c);
 - (ii) the Fourth Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5(e);
 - (c) Qualifying Relevant Designated Premises in:
 - (i) the Third Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5(d);
 - (ii) in the Fourth Rollout Year is greater than or equal to the target number determined for that Rollout Year in accordance with paragraph 33A.5(f).

Qualifying Metering Systems

- 33A.3 For the purposes of this condition, a **Qualifying Metering System** means any of the following:
- (a) **in respect of any Rollout Year**, a Smart Metering System;
 - (b) **in respect of only the First Rollout Year and the Second Rollout Year**, an Advanced Meter installed in the Designated Premises of a Non-MB Consumer in accordance with the requirements of paragraph 33.13(b) of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance);
 - (c) **in respect of only the Third Rollout Year and the Fourth Rollout Year**, an Advanced Meter installed in a Designated Premises in accordance with any of the requirements of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance);
 - (d) **in respect of any Rollout Year**, a Large Gas Meter, installed in either Designated Premises or Domestic Premises, that is an Advanced Meter.

Qualifying Relevant Premises, Qualifying Relevant Domestic Premises and Qualifying Relevant Designated Premises

- 33A.4 For the purposes of this condition, **Qualifying Relevant Premises** means:
- (a) a Domestic Premises ~~or Designated Premises~~ in respect of which the licensee is the Relevant Gas Supplier and at which there is installed neither:
 - (i) a Smart Metering System; nor
 - (ii) an Advanced Meter installed in accordance with the requirements of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance)-,

(and for the purposes of this condition any such Domestic Premises is a Qualifying Relevant Domestic Premises), and
 - (b) a Designated Premises in respect of which the licensee is the Relevant Gas Supplier and at which there is installed neither:
 - (i) a Smart Metering System; nor
 - (ii) an Advanced Meter installed in accordance with the requirements of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance),

(and for the purposes of this condition any such Designated Premises is a **Qualifying Relevant Designated Premises**).

The Target

33A.5 For the purposes of this condition, ~~the target number referred to in paragraph 33A.2 shall in relation to:~~

- (a) ~~each of the target number referred to in paragraph 33A.2(a)(i) shall in relation to the First, Third and Fourth Rollout Years~~ be calculated in accordance with the following formula:

$$N_y = \left(\frac{1}{a_y} RSMS_y \right) - T_y$$

where:

N_y means the target number for **the First Rollout Year y** ;

a_y means a number which is used to calculate a proportion, and shall be equal for **the First Rollout Year y** to the number specified for that Rollout Year in the table at paragraph 33A.6;

$RSMS_y$ means, in relation to **the First Rollout Year y** , the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of **that Rollout Year y** ;

T_y means a number representing a tolerance level, which shall have the value that is determined in accordance with paragraph 33A.7(a); and

y means the **First Rollout Year** ~~specified in the table at paragraph 33A.6.~~;

- (b) ~~the target number referred to in paragraph 33A.2(a)(ii) shall in relation to the Second Rollout Year~~ be the lower of the numbers resulting from the calculation of the following formulas:

(i) $N_y = \left(\frac{1}{3} (TMS_y - (S_1 + NQ_1)) \right) - T_y$; and

(ii) $N_y = \left(\frac{1}{3} RSMS_y \right) - T_y$

where:

N_y means the target number for the Second Rollout Year (but where when calculated in accordance with either of the above formulas N_y would be

a negative number, it shall be deemed to be zero for the purposes of this condition);

RSMS_y means the number of Qualifying Relevant Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Second Rollout Year;

TMS_y means the number of Domestic Premises and Designated Premises in respect of which the licensee is the Relevant Gas Supplier at the start date of the Second Rollout Year,

S₁ means:

(i) the number of Domestic Premises and Designated Premises in respect of which the licensee was the Relevant Gas Supplier on, and at which a Qualifying Metering System was installed by, the date which immediately precedes the start date of the First Rollout Year; plus

(ii) where applicable, the number of Last Resort Supply Premises;

NQ₁ means the number of Qualifying Relevant Premises at which the licensee installed a Qualifying Metering System during the First Rollout Year;

T_y means a number representing a tolerance level for the Second Rollout Year, which shall have the value that is determined in accordance with paragraph 33A.7(a); and

y means the Second Rollout Year,

save that with regard to the terms S₁ and NQ₁ the number of Domestic Premises and Designated Premises in respect of which the licensee ceased to be the Relevant Gas Supplier during the First Rollout Year by virtue of a Supplier-Led Transfer shall not be counted for the purposes of the calculation;

(c) the target number referred to in paragraph 33A.2(b)(i) shall in relation to the Third Rollout Year be calculated in accordance with the following formula:

$$N_3 = \left(\frac{1}{2} DOMRSMS_3\right) - DOMT_3$$

where:

N_3 means the target number for the Third Rollout Year for Qualifying Relevant Domestic Premises (but where when calculated in accordance with the above formula N_3 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

$DOMRSMS_3$ means the number of Qualifying Relevant Domestic Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Third Rollout Year; and

$DOMT_3$ means a number representing a tolerance level for the Third Rollout Year which shall have the value that is determined in accordance with paragraph 33A.7(b);

(d) the target number referred to in paragraph 33A.2(c)(i) shall in relation to the Third Rollout Year be the lower of the numbers resulting from the calculation of the following formulas:

(i) $N_3 = \left(\frac{1}{2} (DESTMS_3 - (DESS_2 + DESNQ_2)) \right) - DEST_3$; and

(ii) $N_3 = \left(\frac{1}{2} DESRSMS_3 \right) - DEST_3$

where:

N_3 means the target number for the Third Rollout Year for Qualifying Relevant Designated Premises (but where when calculated in accordance with either of the above formulas N_3 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

$DESRMS_3$ means the number of Qualifying Relevant Designated Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Third Rollout Year;

$DESTMS_3$ means the number of Designated Premises in respect of which the licensee is the Relevant Gas Supplier at the start date of the Third Rollout Year,

DESS₂ means:

- (iii) the number of Designated Premises in respect of which the licensee was the Relevant Gas Supplier on, and at which a Qualifying Metering System was installed by, the date which immediately precedes the start date of the Second Rollout Year; plus
- (iv) where applicable, the number of Last Resort Supply Premises;

DESNQ₂ means the number of Qualifying Relevant Designated Premises at which the licensee installed a Qualifying Metering System during the Second Rollout Year; and

DEST₃ means a number representing a tolerance level for the Third Rollout Year which shall have the value that is determined in accordance with paragraph 33A.7(b),

save that with regard to the terms DESS₂ and DESNQ₂:

- (iii) the number of Designated Premises in respect of which the licensee ceased to be the Relevant Gas Supplier during the Second Rollout Year by virtue of a Supplier-Led Transfer; and
- (iv) the number of Designated Premises which during the Second Rollout Year were reclassified as Domestic Premises and in respect of which the licensee continued to be the Relevant Gas Supplier for the remainder of the Second Rollout Year;

shall not be counted for the purposes of the calculation;

- (e) the target number referred to in paragraphs 33A.2(b)(ii) shall in relation to the Fourth Rollout Year be calculated in accordance with the following formula:

$$N_4 = \text{DOMRSMS}_4 - \text{DOMT}_4$$

where:

N₄ means the target number for the Fourth Rollout Year for Qualifying Relevant Domestic Premises (but where when calculated in

accordance with the above formula N_4 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

DOMRSMS₄ means the number of Qualifying Relevant Domestic Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Fourth Rollout Year; and

DOMT₄ means a number representing a tolerance level for the Fourth Rollout Year which shall have the value that is determined in accordance with paragraph 33A.7(b); and

- (f) the target number referred to in paragraph 33A.2(c)(ii) shall in relation to the Fourth Rollout Year be calculated in accordance with the following formula:

$$N_4 = \text{DESRMS}_4 - \text{DEST}_4$$

where:

N_4 means the target number for the Fourth Rollout Year for Qualifying Relevant Designated Premises (but where when calculated in accordance with the above formula N_4 would be a negative number, it shall be deemed to be zero for the purposes of this condition);

DESRMS₄ means the number of Qualifying Relevant Designated Premises at which a Qualifying Metering System had not been installed by the date which immediately precedes the start date of the Fourth Rollout Year; and

DEST₄ means a number representing a tolerance level for the Fourth Rollout Year which shall have the value that is determined in accordance with paragraph 33A.7(b).

33A.5A For the purposes of assessing the attainment by the Licensee of the target number for the Third Rollout Year and the Fourth Rollout Year, the installation by the Licensee at a Gas Only Premises of a Qualifying Metering System which is a SMETS2+ Smart Metering System shall be counted as having a number value of Z, where Z is:

- (a) 1.5; or

(b) such other number (equal to or greater than 1) as may be specified in or calculated in accordance with a document issued by the Secretary of State for the purposes of changing the value of Z as specified in sub-paragraph (a), as revised from time to time by the Secretary of State following consultation with all holders of Gas Supply Licences and such other persons as the Secretary of State considers appropriate.

33A.6 For the purposes of paragraph 33A.5(a), in ~~each~~ the First Rollout Year y , the value of a_y shall be that which is set out in respect of that Rollout Year in the table immediately below:

Rollout Year (y)	Value of a_y
First Rollout Year	4
Second Rollout Year	N/A
Third Rollout Year	2 N/A
Fourth Rollout Year	4 N/A

33A.7 For the purposes of ~~paragraph~~:

(a) paragraphs 33A.5(a) and (b), ~~for each Rollout Year y~~ , the value of T_y , ~~for the Rollout Year in respect of which each such paragraph applies~~, shall be equal to the value (for that term) which is specified in, or calculated in accordance with a methodology specified in, a document published and issued by the Secretary of State for the purposes of this Condition 33A, following consultation with all holders of Gas Supply Licences and Electricity Supply Licences and such other persons as the Secretary of State considers appropriate.;

(b) paragraphs 33A.5(c), (d), (e) and (f) the value of $DOMT_3$, $DEST_3$, $DOMT_4$ and $DEST_4$ (as the case may be for the Rollout Year in respect of which each such paragraph applies), shall be equal to the value (for that term) which is specified in, or calculated in accordance with a methodology specified in, any one or more document published and issued by the Secretary of State for the purposes of this Condition 33A, following consultation (which may be undertaken prior to or after the date on which this paragraph comes into force) with all holders of Gas

Supply Licences and Electricity Supply Licences and such other persons as the Secretary of State considers appropriate.

33A.8 The provisions of:

- (a) paragraph 33A.7(a) may be relied upon by the Secretary of State on more than one occasion by means of any document which, from time to time, expressly replaces the previous value that is specified for, or previous methodology for calculating, T_y in accordance with that paragraph;
- (b) paragraph 33A.7(b) may be relied upon by the Secretary of State on more than one occasion by means of any one or more document which, from time to time, expressly replaces the previous value that is specified for, or previous methodology for calculating (as the case may be) $DOMT_3$, $DEST_3$, $DOMT_4$, and $DEST_4$ in accordance with that paragraph.

Definitions

33A.9 For the purposes of this condition:

Advanced Meter	has the meaning given to it in standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).
Electricity SMETS2+ Smart Metering System	means a Smart Metering System that meets the requirements of a Version of the ESME Technical Specification with a Principal Version number that is greater than 1.
ESME Technical Specification	has the meaning given to 'Electricity Smart Metering Equipment Technical Specification (or ESMETS)' in the Smart Energy Code.
First Rollout Year	means the twelve month period beginning on the date immediately following the ARS Specified Date.
Fourth Rollout Year	means the twelve month period beginning on the date immediately following the last date of the Third Rollout Year.

Gas Only Premises

means a Qualifying Relevant Premises at which:

- (a) neither the Licensee nor an Affiliate is the Relevant Electricity Supplier; and
- (b) there is not installed an Electricity SMETS2+ Smart Metering System.

Last Resort Supply Premises

means:

- (a) for the purposes of paragraph 33A.5(b), any Domestic Premises or Designated Premises at which:
 - (i) the licensee became the Relevant Gas Supplier during the First Rollout Year by virtue of a Last Resort Supply Direction issued by the Authority to the licensee pursuant to standard condition 8 (Obligations under Last Resort Supply Direction); and
 - (ii) there was installed a Qualifying Metering System by the date immediately prior to the date on which the Last Resort Supply Direction had effect.; and
- (b) for the purposes of paragraph 33A.5(d), any Designated Premises at which:
 - (i) the licensee became the Relevant Gas Supplier during the Second Rollout Year by virtue of a Last Resort Supply Direction issued by the Authority to the licensee pursuant to standard condition 8

(Obligations under Last Resort Supply Direction); and

- (ii) there was installed a Qualifying Metering System by the date immediately prior to the date on which the Last Resort Supply Direction had effect.

Non-MB Consumer		has the meaning given to that expression in standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).
Qualifying Metering System		has the meaning given to that expression in paragraph 33A.3.
Qualifying Relevant Designated Premises		has the meaning given to that expression in paragraph 33A.4(b).
Qualifying Relevant Domestic Premises		has the meaning given to that expression in paragraph 33A.4(a).
Qualifying Relevant Premises		has the meaning given to that expression in paragraph 33A.4.
Relevant Electricity Supplier		in relation to any premises, means the Electricity Supplier that is supplying electricity to the premises.
Rollout Year		means each of the following: <ul style="list-style-type: none">(a) First Rollout Year;(b) Second Rollout Year;(c) Third Rollout Year; and(d) Fourth Rollout Year.

Second Rollout Year

means the twelve month period beginning on the date immediately following the last date of the First Rollout Year.

Supplier-Led Transfer

means, in relation to the supply of gas to a Domestic Premises or a Designated Premises, the transfer of responsibility for that supply from the licensee to an Affiliate Gas Licensee where the transfer was not initiated by or at the request of the Customer at the premises.

Third Rollout Year

means the twelve month period beginning on the date immediately following the last date of the Second Rollout Year.

This publication is available from: www.gov.uk/government/consultations/smart-meter-targets-framework-minimum-installation-requirements-for-year-3-2024-and-year-4-2025

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