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Smart Metering Implementation Programme - Regulation
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
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1st September 2015

Dear Sir / Madam,

British Gas response to DECC's consultation on "New Smart Energy Code Content and Related Supply Licence Amendments – July 2015" (URN 15D/340)

Thank you for the opportunity to respond to DECC's above consultation.

We are in broad agreement with the proposals set out in this consultation but have four areas of concern which we would be happy to discuss with you further.

1) HAN Variant Communication Hub information availability

The proposed availability of HAN Variant information only 8 months in advance does not align with the supplier forecast and ordering process and may well lead to inaccurate orders being made. It is not acceptable for suppliers to have to place orders 10 months prior to delivery that are then subject to accuracy tolerances when the required information for HAN Variant Communications Hubs is unlikely to be available.

If, as stated, it is not cost effective for the DCC to provide HAN Variant information at least 10 months in advance, then we request that Section F5.10 of the SEC is amended from 10 months to 8 months to align the supplier ordering tolerances. Without this alignment, Suppliers will either not be able to order HAN Variant Communications Hubs in a timely manner, or will be forced to 'over order' to ensure that sufficient are

available to them when required. Both these options will lead to ineffective and costly rollout operations and should be avoided.

2) Initial Delivery of Communications Hubs

Suppliers that have ordered Communications Hubs ahead of August 2016 will have done so in good faith and as a proactive step in readiness for live operations. Suppliers should not be faced with the risk of receiving Communications Hubs that they cannot subsequently use and for which they would then incur storage costs. This policy will effectively delay any plans for the early installation of SMETS2 metering equipment which seems to conflict with DECC's policy intentions of driving towards SMETS2 in a timely manner.

We also have concerns that the DCC's imminent release strategy proposals could impact on Communications Hub deliveries. If a phased release strategy is adopted we will need clarity on what this will mean for Communications Hub versioning. Suppliers cannot be expected to receive Communications Hubs that are then seen as defunct without appropriate replacement or upgrade arrangements in place. We hope this matter will be given due consideration when DECC are discussing release strategy proposals with the DCC.

3) Ordering Management System (OMS) account restrictions

Whilst we agree with the proposal that the DCC should be able to limit the number of Ordering Management System (OMS) accounts each User may have we are not supportive of limiting the number of 'free' accounts to 4 for all parties.

These accounts are funded via DCC Fixed Charges which are largely based and charged on supplier market share. It is inappropriate, therefore, for Large Suppliers to have to pay additional charges for OMS accounts when they are already funding the majority of the OMS system and will be responsible for ordering the vast majority of Communications Hubs. We would welcome a further review of these arrangements and the drafting of the Communications Hub Handover Support Materials. We hope that DECC agree with us that the current proposal is inequitable and that the DCC must address this.

4) SMKI Recovery Procedures

Whilst we recognise that the Policy Management Authority (PMA) should have full control of the SMKI Recovery Procedures we do not believe that the document itself should be within PMA governance. It is important that the SEC and associated procedures are fully transparent and accessible to Users. This includes the change

process for SEC documentation and we therefore believe that the Recovery Procedures should be a SEC Subsidiary Document.

The risk of changes being made to the document that do not accord with the views of the PMA is, in our opinion, minimal. This risk is far outweighed by having open and transparent governance arrangements that allow SEC Parties to propose changes to documents, such as the SMKI Recovery Procedures. The PMA would be asked to consider any modification proposal relating the SMKI Recovery Procedures and their views would be given the utmost regard and importance

Our detailed responses to DECC's questions are attached in Appendix 1. Please do not hesitate to contact me if you require any further detail on our response.

Yours sincerely

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Question 1. Do you agree with the legal drafting of the proposed amendment to the electricity and gas supply licence conditions? Please provide a rationale for your views

- 1.1 We agree with the structure of the proposed drafting but have one comment in relation to the specific Enrolment Duty.
 - 1.2 Paragraph XX.4 contains the obligation for the device to be "Commissioned". The term Commissioned is defined within the SEC and is one of four statuses that an installed device can be in. The legal drafting should be drafted such that it does not place a supplier in breach of the condition should the status of the device subsequently change to be Decommissioned, Withdrawn or Suspended.
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Question 2. Do you agree that this legal duty should take effect when DCC's enrolment services are first available? Please provide rationale for your views

- 2.1. Yes, we agree that this should take effect from when the DCC's enrolment services are available and the relevant supplier has become a DCC User.
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Question 3. Do you have any comments on the proposed drafting in these new subsidiary documents?

- 3.1. We agree with the majority of drafting within the new subsidiary documents although we have a few comments that we believe need to be addressed.
- 3.2. Section 4.4 of the Inventory Enrolment and Withdrawal Procedures includes the scenario of an alert being sent from the Communications Hub when it has been unable to communicate with a device over the HAN. The recent Issue Resolution Proposal (IRP) number 226 removed the 'failure' alert functionality and therefore this section may now be incorrect.
- 3.3. Section 16.1(d)(viii)(B) of the Service Request Processing Document states that firmware deployment is as per the timeline in the User Interface Services Schedule (UISS). The last version of UISS changed the Target Response Time for deploy firmware updates from 5 days to 24 hours. We require clarification as to whether

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this now means that that a deployment of firmware is required to be done by the DCC in 24 hours, rather than the expected and previously documented 5 days.

- 3.4. Paragraph 17.1 covers the DCC's obligations to change security credentials relating to requests received via the Non-User gateway Interface (NGI). This paragraph should be more explicit as to the action that the DCC should take. For example, for any MPAN/MPRN there may be more than one device that needs to be updated and it should be made clear that the DCC is responsible for identification and update of all relevant devices¹.

Question 4. Do you have any specific comments on the proposed revised approach to dealing with Post-Commissioning Obligations including the proposal to delete Sections M2.7 and M2.8?

- 4.1 We support the revised approach for dealing with Post Commissioning Obligations and also support the proposal to remove the existing drafting that allows for Parties to recover costs without limitation.

Question 5. Do you have any comments on the proposed approach?

- 5.1. We are supportive of this approach.

Question 6. Do you have any comments on the proposed drafting changes to Sections F2, G, M2 and A?

- 6.1. We support the drafting changes to Sections F2, G, M2 and A.
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¹ We are aware that the Non-Gateway Interface may be removed as a requirement from the SEC at a later date and therefore this comment becomes superfluous.

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Question 7. Do you agree with the proposal to move some of the technical details in F2 into a subsidiary document in line with the approach taken in relation to Sections H4,5 &6?

- 7.1. We agree with the proposal to move the detailed and technical process matters relating to the Certified Product List into a SEC Subsidiary Document.
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Question 8. Do you support the proposed changes to Section T to ensure that the testing objectives reflect a more up to date version of the SEC?

- 8.1 Yes, we are supportive of the proposed changes to Section T that will help to ensure that the testing objectives reflect the most up-to-date version of the SEC.
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Question 9. Do you agree with the proposal that the DCC should offer a testing service for prospective Non-Gateway Suppliers?

- 9.1 Yes, it is important that Non-Gateway Suppliers have the opportunity to test the Non-Gateway Interface to ensure that they are able to comply with their obligations under the SEC.
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Question 10. Do you intend to test only Devices (and not User Systems) against the DCC Systems? If so, how and when do you intend to do this? Is it your intention to:
become a SEC Party and establish a DCC Gateway Connection;
rely on other parties to interact with the DCC for the purposes of testing Devices;
or another means (e.g. direct connection without being a SEC Party)?

- 10.1 This question is more relevant to SEC Parties and industry participants other than Suppliers.
- 10.2 As a Supplier we are already a SEC Party, we will be establishing a DCC Gateway Connection and will carry out both device and User System testing.
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Question 11. Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Guidance document? Please provide a rationale for your view

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- 11.1 Yes, we agree with the proposals and the associated legal drafting in relation to the SMKI Recovery Procedure Guidance document. We believe this document ensures that the SMKI recovery process will be as transparent as possible to SEC Parties.
- 11.2 The document is referred to in the consultation document as both the SMKI Recovery Procedure Guidance Document and the SMKI Recovery procedure. We have assumed that there is to be a single document rather than two and would welcome confirmation of this.
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Question 12. Do you agree with the proposed drafting on how changes to the SMKI Recovery Key Guidance are managed, or do you think it should be a SEC Subsidiary Document and open to the SEC modification process? Please provide a rationale for your response

- 12.1 No, we do not agree with the proposed drafting and believe that the SMKI Recovery Procedure document should be a SEC Subsidiary document.
- 12.2 The risk of changes being made to the document that do not accord with view of the PMA is, in our opinion, minimal. This risk is far outweighed by having open and transparent governance arrangements that allow SEC Parties to propose changes to documents, such as the SMKI Recovery Procedures. The PMA would be asked to consider any modification proposal relating the SMKI Recovery Procedures and their views would be given the utmost regard and importance.
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Question 13. Do you agree with the proposals, and associated legal drafting in relation to the SMKI Recovery Procedure Liabilities? Please provide a rationale for your view.

- 13.1 Yes, we agree with the proposals and associated legal drafting in relation to the SMKI Recovery Procedure Liabilities.
- 13.2 We believe these proposals will enable all parties to be aware of their responsibilities and liabilities under the SMKI Recovery Procedure scenarios. The liabilities strike the right balance between accountability for cost without creating unlimited liability risk for the DCC and DCC Users.
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Question 14. Do you agree with the proposals, and associated legal drafting to use IKI for communications over the NGI and in relation to TAD? Please provide a rationale for your view.

- 14.1 Yes, we agree with the proposals and associated legal drafting to use IKI for communications over the NGI and in relation to TAD.
- 14.2 This will enable the DCC to allow use of IKI credentials for the purpose of signing files sent to them in respect of the Non-Gateway Interface (NGI) and Threshold Anomaly Detection (TAD). The extension of the use IKI to NGI and TAD applications is both appropriate and proportionate.
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Question 15. Do you agree that it is necessary for the PMA to be able to require Parties to nominate Key Custodians? Please provide a rationale for your response.

- 15.1 We do not agree that it is necessary for the PMA to be able to require Parties to nominate Key Custodians. The need for Key Custodians solely relates to the DCC's responsibility for recovery of Root, Issuing and Recovery certificates. The DCC, or SMKI provider, has a number of service providers and partner organisations that could nominate key custodians and we see no real justification for SEC Parties to be forced to fulfil this role.
- 15.2 We are supportive of SEC Parties having the opportunity to nominate a Key Custodian but this should not be mandated by the PMA. If the PMA were to be given this ability then further work would be required to establish how Parties would be selected (assuming that not all SEC Parties would need to). It would also need to be made clear what responsibilities Key Custodians would have under the SEC and any associated liability.
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Question 16. Do you agree with the proposals, and associated legal drafting to make clarificatory changes to the SMKI Certificate Policies? Please provide a rationale for your view.

- 16.1 Yes. We agree with the proposals, and associated legal drafting to make changes to the SMKI Certificate Policies.
- 16.2 We believe these clarification changes will enable the DCC and SEC Parties to share the responsibilities for ensuring that no Public Keys that have already been distributed

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as part of another Certificate are contained in any other Certificate or Certificate Signing Request sent to the DCC.

Question 17. Do you agree with the proposals, and associated legal drafting to allow the DCC to become an Eligible Subscriber for certain SMKI Organisation Certificates for the purpose of signing Registration Data? Please provide a rationale for your view.

- 17.1 Yes. We agree with the proposals, and associated legal drafting to allow the DCC to become an Eligible Subscriber for certain SMKI Organisation Certificates for the purpose of signing Registration Data.
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Question 18. Do you agree with the legal drafting to oblige Network Operators to establish their Organisation Certificates prior to DCC Live? Please provide a rationale for your view.

- 18.1 Yes. We agree with the legal drafting to oblige Network Operators to establish their Organisation Certificates prior to DCC Live.
- 18.2 This will ensure that Network Operator Organisation Certificates are available to suppliers to place on devices following installation and commissioning.
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Question 19. Do you agree with the proposal and legal drafting in relation to the miscellaneous changes to the PKI content? Please provide a rationale for your view?

- 19.1 Yes. We agree with the proposal and legal drafting in relation to the miscellaneous changes to the PKI content.
- 19.2 This includes the expansion of the RAPP, the technical solution of the DCCKI and the scope of the SMKI Code of Connection and the SMKI Repository Code of Connection. We believe that these amendments will make the relevant documents more easily understood and more applicable to SEC Parties.
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Question 20. Do you have any comments on the proposed drafting regarding the CIO independence requirements?

- 20.1 We are supportive of the proposed drafting for the CIO independence requirements. We believe this strikes the right balance of ensuring that the CIO acts independently

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when conducting security and privacy audits but does not overly restrict Users in having separate commercial arrangements in place with the CIO.

Question 21. Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), which would permit Suppliers to re-use Communications Hubs that they have removed from consumer premises in certain circumstances?

- 21.1 We support the proposals to allow suppliers to re-use Communications Hubs when they have been removed and are not faulty. We understand the need for this to be only in certain circumstances and agree that it is necessary to have the correct gas network credentials on the Communications Hub and for any consumption data to have been deleted.
- 21.2 We are happy with the draft legal text apart from concerns over the drafting of F7.4. Whilst we understand the intent of the amendments to F7.3 and F7.4 we do not believe F7.4 reads very well and therefore could be misconstrued or found confusing.
- 21.3 We are happy with the proposed changes to CHIMSM detailed in Annex D. However, to increase the chances of a Communications Hub being re-used it would be beneficial for Users to be able to carry out basic checks prior to re-use. This could be as simple as determining whether the Communications Hub is capable of establishing a WAN connection prior to being issued for re-installation. This is currently not possible as paragraph 3.1 in CHIMSM prevents User from allowing a Communications Hub to connect to the SM WAN unless it is to be commissioned. We believe that the CHIMSM should be amended to allow for this circumstance to ensure the benefit of this policy decision can be maximised.
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Question 22. Do you agree with the proposal, and associated legal drafting, for an obligation for Supplier Parties to respond to any to any reasonable request from the DCC for information pertaining to compliance with the CH Support Materials and for a reciprocal obligation to be placed on the DCC?

- 22.1 Yes, we agree with the proposal for obligations on both Suppliers and the DCC to respond to any reasonable request for information pertaining to compliance with the CH Support Materials.
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Question 23. Do you agree with the proposals, and associated legal drafting (including the proposed changes to the CHIMSM at Annex D), relating to visits by the DCC to consumer premises?

- 23.1 Yes, we agree with the proposals relating to visits by the DCC to consumer premises.
- 23.2 The draft text puts the onus on the Lead Supplier to arrange for the site visit by the DCC. Whilst this makes sense from a Communications Hub responsibility perspective, the Lead Supplier may not have been the installing supplier and may not be the relevant supplier for the energy supply that the query relates to. For example, if the query relates to communications with the Gas Meter or Gas Proxy then the Lead Supplier may not be the relevant supplier. In reality it may be that the DCC would need to liaise with either supplier, or even both, and we therefore suggest that the legal text allows for this.
- 23.3 For any DCC visit to a customer's premises we would insist on, as referred to in paragraph 107, accompanying the DCC representative on such a visit. We would therefore suggest that this is acknowledged in the SEC or CHIMSM drafting and it is made clear that the supplier can specify this if they chose to do so.

Question 24. Do you agree with the proposal, and associated legal drafting, for Parties to be liable for all reasonable costs and expenses incurred by the DCC as a result of a delivery of Communications Hubs being prevented from taking place in accordance with the SEC, due to a breach of the SEC by that Party?

- 24.1 Yes, we agree with these proposals and with the legal drafting.

Question 25. Do you agree with the proposals and associated legal drafting for the consequential changes to the SEC arising from the Communications Hub Support Materials?

- 25.1 Yes, we agree with the proposals and the associated SEC legal drafting.
- 25.2 However, we do not agree with the proposal to limit the number of 'free' CHOS accounts to 4, for all parties. These accounts are funded via DCC Fixed Charges which are largely based on supplier market share. It therefore seems wholly inappropriate for Large Suppliers to have to pay additional charges for CHOS accounts when they are already funding the majority of the CHOS system and will be responsible for

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ordering the vast majority of Communications Hubs. Whilst we support the SEC change to allow the DCC to limit the number of CHOS accounts we do not support the proposal for the CHSM to include an arbitrary and universal limit of 4 accounts.

Question 26. Do you agree with the proposals as described under the heading of "Miscellaneous Communications Hub issues" above and the associated legal drafting?

26.1 Whilst we agree with the majority of the proposals and the associated legal drafting we do have a couple of concerns with these proposals.

SM WAN Variant Communications Hub information

26.2 The forecast and ordering process for Communication Hubs require suppliers to provide information 24 months in advance. Five months prior to delivery, these orders need to be within a 50% tolerance of the forecast given 10 months prior to delivery. With HAN variant information only being available 8 months in advance this does not allow suppliers to plan appropriately. Therefore we do not support this proposal.

26.3 We suggest that the HAN Variant information is made available 10 months in advance or that the 5 month order tolerance is amended to relate to the forecast provided 8 months prior to delivery (i.e. align the 50% tolerance date with that of HAN Variant information availability).

Region definition

26.4 We support the change from a boundary definition to the provision of a document that clearly allocates each full UK postcode to a Region. However, we do not see the need for the provision of this information to be on an 'as reasonably practicable' basis. We cannot envisage a scenario where the DCC would be unable to allocate a postcode to a Region and therefore this should be an absolute requirement.

Question 27. Do you agree with the proposed changes to Incident Management? Please provide a rationale for your views.

27.1 Yes, we agree with the proposed changes to Incident Management arrangements.

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Question 28. Do you agree with the proposed approach to provide a more flexible governance for the Error Handling Strategy, set out above?

28.1 Yes, we agree with the proposed approach to provide more flexible governance for the Error Handling Strategy document.

Question 29. Do you agree with the proposals in relation to the timing of the further activation of the SEC Modification Process? Please provide a rationale for your response?

29.1 Yes, we agree with the proposals in relation to the activation of the SEC modification Process. It is important that SEC Parties are afforded the time and ability to prepare for the enduring phase and this may well require Modifications to be raised during the transition phase.

Question 30. Do you agree with the proposals and legal text in relation to the manner in which the SEC Modification Process is further activated, including the temporary performance of certain enduring Authority functions by the Secretary of State? Please provide a rationale for your response.

30.1 Yes, we agree with the proposals and legal text.

30.2 We believe it is appropriate for the Secretary of State to perform certain enduring Authority functions during this transitional phase and for Ofgem to commence their full role at a point in time after DCC Live.

Question 31. Do you have any comments on the proposed drafting regarding the scope of the Threshold Anomaly Detection Procedures?

31.1 We agree with the proposed drafting for the Threshold Anomaly Detection Procedures.

Question 32. Do you agree with the proposed additional text to F3 to provide affected Supplier Parties or the DCC with the ability to appeal (to Ofgem) SEC Panel decisions relating to device non-compliance with the Technical Specifications and any associated remedial plan?

32.1 Yes, we agree with the proposed additional text that allows for Supplier Parties to appeal a SEC Panel decision relating to device non-compliance. It is important that all

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SEC Panel decisions and determinations are either 'final and binding' or can be
appealed to a relevant authority.

Question 33. Do you agree with the proposal, and associated legal drafting in relation to
amending the definitions in preparation for the future introduction of technical
specifications into the SEC? Please provide a rationale for your view?

33.1 We agree with the proposal and associated legal drafting.

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