

Smart Metering Implementation Programme
Business, Energy and Industrial Strategy
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17 October 2016

SMART METERING IMPLEMENTATION PROGRAMME A Consultation on Smart Energy Code and Licence Amendments – September 2016

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy welcomes the opportunity to respond to the consultation on new content for the Smart Energy Code (SEC). We recognise that BEIS have engaged Suppliers throughout the development process so that we better understand the proposals and policy decisions. We further recognise that the SEC has developed into a large and complex document set, where the accurate interpretation of policy decisions will be vital to the successful operation of the industry.

This consultation spans a wide range of changes that are needed to ensure the effective delivery of smart metering in GB. EDF Energy has responded to each of the proposed changes in the attached template, and would make the following overarching comments:

1. In effecting these changes it is vital that where appropriate robust design, development, testing and proving is specified and undertaken.
2. Further workshops may be necessary to ensure that the market fully understands and can comply with the changes.
3. The consequences of the changes need to be considered carefully, particularly in respect to aspects of Install and Leave, maintenance of Smart Metering Systems, and the management of multiple versions of the Technical Specifications.
4. In particular, we have some concerns over the introduction of Install and Leave, notably with respect to the effective handover of responsibilities following a Change of Supplier (CoS) event and clarification of the specific responsibilities of the relevant supplier in all of the related events that may occur, e.g. a change of tenancy.
5. In respect to the proposed Section N changes, we are unable to support the proposal to oblige suppliers to provide contractual information, as it is unlikely to deliver the outcome that BEIS are seeking. A better option may be to pursue bilateral discussions with the bundled service provider with the support of the relevant supplier.
6. We would like to emphasise the need for Ofgem, as part of its Significant Code Review, to follow standard industry processes when developing code modifications. The standard industry processes have been set up to allow time to understand unintended consequences, ensure innovation within the market is still possible and that the final text is fit for purpose.

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7. The proposal for multiple Technical Specifications' does not allow for the ability to 'return' to an earlier version of the relevant Technical Specification, even where that version is still valid for new installs or within a Maintenance Validity Period.
8. It is our opinion that multiple versions of DUIS could extend to many more than the two proposed, noting that assets need to be supported for their 15 year minimum life.

I confirm that this letter and its attachment may be published on BEIS's website.

Attachment

SMART METERING IMPLEMENTATION PROGRAMME A Consultation on Smart Energy Code and Licence Amendments – September 2016

EDF Energy's response to your questions

Install and Leave

Q1. Do you agree that the legal drafting implements reactive I&L policy as proposed? Please provide a rationale for your views.

EDF Energy agrees with the legal drafting of the reactive Install and Leave (I&L) policy on the basis that this provides the freedom for the Installing Supplier to choose to undertake installation of a Smart Metering System (SMS), despite the longer-term non-availability of the DCC WAN. The decision whether to install may be on economic, customer impact, roll-out efficiency or any other grounds that constitute the justification for completing an install following the discovery that WAN is not available.

EDF Energy would observe that there are still a number of associated issues that need resolution and appropriate legal drafting, including clarification of the conditions that will apply in the event that a Change of Supplier (CoS) event occurs during the 90 day rectification period following notification to the DCC. This clarification needs to address:

- How a new supplier is made aware that they are gaining an I&L installation and whether a HAN was established as part of that installation.
- When the expected rectification date is.
- What the supplier's responsibilities to form a HAN are.
- In the event that a supplier chooses to undertake I&L and not complete it's 'all reasonable steps' obligation at this time, whether a second site visit is likely to be needed.
- Whether the responsibility to comply with SMICoP always requires a second visit.
- Whether the 90 day rectification period will reset on CoS and the impact this will have on customers.
- The approach at relevant sites where one or more meters are required to operate in prepayment mode.
- The approach to relevant sites where it is necessary to install and commission a PPMID, under the 'no longer safe and reasonably practicable' condition.
- Clarification of how data privacy will be managed on Change of Tenancy (CoT) where data cannot be protected remotely.
- Changes from domestic to non-domestic metering and the reverse during the 90 day rectification period, and how this is managed.
- In the event that the supplier chooses to undertake 'all reasonable steps' and establish a HAN and fulfil its SMICoP obligation during I&L, EDF Energy observes that a handheld unit based solution would be required.

At this stage, EDF Energy cannot see the relevance of I&L to SMETSv1 SMS on the basis that these systems need to remain connected via their existing SMSO to allow novation to the DCC.

Q2. Do you agree with the proposed approach for the implementation of proactive I&L for new connections and replacement meters? Please provide a rationale for your views.

EDF Energy broadly agrees with the proposed approach for the implementation of proactive I&L for new connections and replacement meters. Where practical it is appropriate for smart meters to be installed whenever possible, to prevent the need for a further meter exchange in the future.

The issues that we have noted in our response to question 1 are all equally relevant to proactive I&L, especially as the period of time that a smart meter will be installed before connection to the WAN is established will be much longer. This increases the likelihood that CoS and CoT events will occur in this period and will need to be identified and managed appropriately. The implications of a meter subject to proactive I&L being on a version of the Technical Specifications that is no longer within its Maintenance Validity Period when WAN connectivity is established will also need to be considered.

Q3. Do you agree that the legal drafting implements proactive I&L policy as proposed? Please provide a rationale for your views.

EDF Energy agrees with the legal drafting of the proactive I&L policy on the basis that this provides the freedom for the Installing Supplier to choose to undertake installation of a Smart Metering System (SMS), despite the longer-term non-availability of the DCC WAN. The decision whether to install may be on economic, customer impact, roll-out efficiency or any other grounds that constitute the justification for completing an install despite knowing that the WAN is not available.

Please also refer to our response to question 2.

Maintenance of Smart Metering Systems

Q4. Do you agree that the proposed legal drafting accurately reflects our policy intention on maintenance and replacement of smart metering systems? Please provide a rationale for your views.

EDF Energy agrees with the intent of the proposed amendment to the electricity and gas supply licence conditions as described in the consultation. We are content with the obligations on Energy Suppliers for the maintenance and replacement of smart metering systems. We understand multiple versions of SMETS and CHTS will need to exist, and support the principle of backwards compatibility to ensure assets are not stranded before the end of their asset life.

However, we note that there may be occasions when an SMS may be on an expired installation validity period, but have a current Maintenance Validity Period, which may require an upgrade to ensure it is fit for purpose (e.g. to fix a security issue). We assume an incremental sub-version of the SMETS is required to be applied to ensure continued use. We also assume this would be enforced through the Maintenance Validity Period which would reference a sub-version of SMETS. This does not seem to be covered in the

legal drafting. Otherwise, the proposed legal drafting seems to reflect BEIS policy intent as described in the consultation.

Please refer to our response to Q17/18 in respect to our overall concerns on managing multiple versions of the technical specifications.

Simplification of change of supplier information flows

Q5. Do you agree with the legal drafting of the proposed amendment to the electricity supply licence condition 50 regarding change of suppliers? Please provide a rationale for your views.

EDF Energy has checked the legal drafting proposed for licence condition 50 and agrees that the wording is consistent with the current working practice such that an old supplier would not need to send the new supplier contact details of the MAP if those details are already provided within the D0150 dataflow. This is a sensible conclusion and avoids additional processing and therefore cost.

We note, under next day switching, work is on-going in evaluating the need for a central repository of MAP data and therefore it would seem prudent to allow this work stream to conclude before incorporating any consequential changes.

Testing required to implement changes to the SEC

Q6. Do you agree with the proposal and associated legal drafting to introduce additional requirements to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC? Please provide a rationale for your views.

EDF Energy agrees with the proposed legal drafting for the additional requirements to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC.

We do however have concerns around the 'Send-Back Process' process covered in D9.3 which suggests that the 'authority' could keep sending back the proposal to the Panel for re-work until the proposed modification is accepted. As our comment in response to section seven, we believe that there must be protection afforded to all parties to avoid unreasonable costs.

Q7. Do you agree with the proposal and associated legal drafting (amendments to Section D) to clarify when and how testing requirements should be considered, for SEC Modification Proposals? Please provide a rationale for your views.

EDF Energy agrees with the amendments proposed to section D. We welcome the recognition that drafting is required to ensure testing is taken into account for future industry change requirements. Section D1.7 related to the proposer being required to provide an opinion as testing requirements in the modification proposal submission could provide useful savings in terms of time required to review modification submissions.

However, we note that the drafting provides for modification proposal reporting which includes: *'specify whether the implementation of the Modification Proposal is likely to*

require changes to DCC Systems, User Systems and/or Smart Metering Systems; and (if so) the likely development, capital and operating costs associated with such changes and any consequential impact on the Charges’.

There are no assessment criteria laid down within the decision process for SEC Modification Proposals. For example, at what point does the capital and operating costs associated with change lead to it becoming cost prohibitive?

Enduring Registration Data Provider Entry Process Testing

Q8. Do you agree with the proposal and associated legal drafting to provide enduring RDP Entry Process Tests? Please provide a rationale for your views.

EDF Energy agrees with the proposal and associated legal drafting to provide enduring RDP Entry Process Tests. The current drafting only accounts for the original four RDP agents that took part in SIT. New RDPs should also be provided with the same level of assistance to provide assurance that they can provide RDP services and all RDPs should be able to test future changes as required.

Q9. Do you think that is appropriate that new Electricity Distribution Licensee or Gas Transportation Licensee holders, who opt to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests) be permitted to use this testing service? Please provide a rationale for your views.

EDF Energy agrees that new Electricity Distribution Licensee or Gas Transportation Licensee holders, who opt to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests), be permitted to use this testing service. Any agent that exchanges data either directly or indirectly with the DCC should be able to test operational services.

Changes to the Enduring Testing Approach Document (ETAD)

Q10. Do you agree with the proposal and associated legal drafting to provide DCC with the ability to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the requirements set out in the ETAD? Please provide a rationale for your views.

EDF Energy agrees with the proposal as drafted in H14.10A to provide DCC with the ability to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the requirements set out in the ETAD.

The DCC has overriding duties such as compliance with the Health and Safety at Work Act. Test participants will share DCC laboratory facilities. DCC therefore needs a mechanism to ensure that any party acting in a manner that contradicts the draft requirements as prescribed in the ETAD can be removed to protect both themselves and other parties.

We would note however, that as with previous responses to the ETAD consultations, EDF Energy believes that there should be reasonable time limits set for the Panel review process in the event of a dispute. Use of DCC testing facilities may be critical to

participants meeting regulatory milestones, hence they need assurance that any dispute is dealt with the minimum of delay.

Q11. Do you agree with the proposal and associated legal drafting to clarify the requirements around Test Communications Hubs? Please provide a rationale for your views.

EDF Energy is unable to support the proposal and associated legal drafting to clarify the requirements around Test Communication Hubs as this limited access to Test Communications Hubs could severely impact our testing activities. We do not agree with the BEIS proposals to amend the SEC to clarify that a particular variant of a Test Communications Hub does not need to be provided by the DCC where it is not reasonably practicable and/or cost effective to do so.

Unfortunately, the consultation does not detail the variants of Communications Hubs which would not be available in both DCC labs and participants' 'remote' test labs. If the variants were declared we could determine the likely impact upon our test activities.

As the volume of Test Communications Hubs required in DCC's labs and remotely will be relatively low, we do not agree that it will not always be practical or economically efficient for DCC to provide them.

EDF Energy accepts if 'minor changes' are made to a particular Communication Hub variant which does not impact upon our ability to test and can be assured through other means, then a change to the variant need not be made. The SEC Panel should decide upon the definition of 'minor changes'.

Q12. Do you agree with the proposed changes and legal drafting in relation to Section N? Please provide any rationale.

EDF Energy is unable to support the proposed changes and legal drafting in relation to Section N of the SEC to support SMETS1 Enrolment and Adoption by the DCC. We support the principle of enrolment and adoption of SMETS 1 meters into the DCC; we also fully understand the rationale behind the DCC requiring the communications contractual information. However, the new clauses proposed will place mandatory obligations on suppliers that currently receive a fully bundled communications service to provide information that we are not party to. Suppliers could then become non-compliant with their SEC obligations for reasons outside of their control.

We suggest that the DCC should request such details directly from those communication service providers with whom the SMSO has a direct commercial contract in place. Placing the obligation on suppliers will not, we believe, produce the necessary outcomes you require

Where EDF Energy is not restrained by contractual restrictions, we would comply with any reasonable requests for information made by the DCC to support their IEPFR SMETS1 analysis.

Amendments to the Ofgem Significant Code Review process

Q13. Do you agree that the legal drafting implements the changes to Ofgem's Significant Code Review powers contained in its Code Governance Review 3 Final Decision?

We are aware that other industry code bodies e.g. Elexon (BSC) and National Grid (CUSC) are also implementing similar provisions into their text. It would make sense if all the codes have the same wording and interpretation of Ofgem's powers in this area if possible, rather than have variations which create complexity and misunderstanding. As such, we would recommend delaying these amendments to the text within the SEC until a common approach across codes is agreed and can be inserted as uniformly as possible in to all the relevant codes.

We would recommend that Ofgem follows standard industry processes when developing code modifications. The standard industry processes have been set up to allow time to understand unintended consequences, ensure innovation within the market is still possible and that the final text is fit for purpose.

Privacy requirements

Q14. Do you have any comments on the proposed changes to Section H and Section I? Please provide a rationale for your views.

We support the expanded scope of the requirements for a User Entry Guide, so that a User Entry Guide includes a reference to any relevant privacy guidance (Section H1.8) as customer data could be created during testing.

We support the Introduction of a specific reference to the Data Protection Act (1998) (Section I1.1) as it is sensible to clearly state the DPA applies. We would also suggest consideration of the implications of the forthcoming EU General Data Protection Regulations (GDPR) on the UK Smart Metering Programme.

Making certain transitional variations enduring

Q15. Do you agree with the proposals to make certain transitional variations described in Chapter 3.4 enduring? Please provide a rationale for your views.

We agree with the proposed extension into Enduring measures of those transitional variations described in Chapter 3.4. Those transitional arrangements were reviewed by our EDF Energy representative at TPMAG and our large supplier member at both SMKI PMA and Security Sub Committee at the time they were initially introduced.

We believe this is appropriate and consistent to convert those in enduring variations. In particular:

1. The extension of provisions on IKI crypto tokens to DCCKI Smart Card Tokens.
2. The adaptation of subscriber obligations to DCCKI Personnel Authentication Certificates.
3. The corresponding changes in definitions associated to items #1 and #2 above.

4. The modification of the definition of User Systems scope definition.
5. The extension of the requirement for parties who are just about to become Users of the DCC to submit forecasts.

Definition of Registration Data Provider Systems

Q16. Do you agree with the proposal to revise the RDP Systems definition and the associated legal drafting? If not, please provide a rationale.

EDF Energy agrees with the proposed amendment to the definition of RDP systems. This ensures consistency between the definition of User Systems and RDP systems.

Changes to the SEC to enable it to accommodate multiple versions of Technical Specifications

Q17. Do you agree with our proposals for how multiple Technical Specifications and GBCS should be managed within the Code and do you have any comments on the proposed changes to supply licence conditions, the DCC licence and the SEC in order to give effect to them?

Generally, EDF Energy agrees with the proposals in respect to managing multiple Technical Specifications and GBCS. However, we have some concerns with certain aspects of the proposals.

The proposal does not allow for steps to 'return' to an earlier version of the relevant Technical Specification (TS), even where the version the supplier is trying to revert to is still valid for new installs, or within a current Maintenance Validity Period (MVP). The proposal needs to account for circumstances where an upgrade may subsequently prove to be unsuitable, for example, where a software bug is identified during operation that was not detected during testing.

Consider a scenario where a supplier has upgraded a complete dual fuel SMS which then churns to a new supplier, and a device in the SMS fails which requires replacement. The replacement device, sourced by a different manufacturer to the original SMS (the new supplier's agent), will not have been tested at the initial upgrade with the other devices in the SMS. This makes it more likely to fail, possibly requiring the whole SMS to be reverted to its original state. Failure to do this may require the whole SMS to be replaced with the new supplier's assets, causing unnecessary stranding of the original assets.

It is unclear how a new supplier can support the scenario where the SMS, following a CoS, has been gained and is on a more recent version of the TS than the new supplier currently supports, for example, where the new supplier has completed their roll-out on a previous version. If a device within that SMS then breaks and needs to be replaced, the supplier will not have the assets available to support. It would seem sensible under this scenario to consider the responsibilities of the upgrading supplier or controlling upgrades until all parties can support.

It is unclear how the scenario will be managed where a supplier gains all or part of a SMS with an expired MVP. Changes will be required in the DCC systems to monitor the devices deployed against the compatibility matrix, and regulation will be required to enforce compliance. A centralised firmware library managed under the SEC would

provide a level of mitigation, however, we recommend an expert group is convened to work through these scenarios and put in place the necessary processes to ensure success. It is essential devices realise their full asset life to ensure delivery of the benefits of smart metering, which this proposal may impact.

The proposal assumes an upgraded communications hubs will remain compatible with an IHD, which seems to be highly unlikely. To assume that continued compatibility between the communications hubs and smart meters also ensures continued compatibility between the CH and IHDs seems high risk. DCC should ensure this is the case through thorough and robust testing. Restricting DCC's obligations in this scenario due to the current lack of understanding of the actual IHDs being used in the field is not acceptable. While IHDs are not subject to Certified Product List (CPL) approval, there is no reason the IHD technical details could not be provided by the supplier to the DCC in the pre-registration flows to enable the DCC to better understand the actual assets in the field. DCC could then ensure continued interoperability and compatibility when devices are upgraded through thorough testing with assets deployed.

Q18. Do you agree with our proposed approach to facilitating multiple versions of DUIS (and associated versions of the Message Mapping Catalogue and Parse and Correlate software)?

It is essential that multiple versions of DUIS, MMC and the Parse and Correlate (P&C) software are supported to ensure DCC users are not forced to change their systems before their strategic policy to do so has come in to effect. Forcing suppliers to adopt a later version of the TS before they are ready to do so, could have an adverse effect on the market and lead to any technically dominant player having a competitive advantage over others.

We note the proposal refers to "two or more versions of DUIS", but that DCC currently intends to support only two versions of DUIS at any one point in time. Considering the lifespan of the devices (over 15 years), and the likelihood of at least one TS upgrade per year (expectation is we will be at GBCS 3.0 by November 2017), one could well envisage version 10 of the GBCS existing and being deployed before the early assets are retired. We would however recommend that the number of changes to the TS are limited as far as possible to mitigate the impacts of large numbers multiple versions being in operation at any one time.

We note the need for suppliers to support other suppliers' assets on CoS. Without any authority to upgrade (dependent on the MAP), and noting that downgrade is not allowed under the proposals to a version compatible with suppliers' back office systems, then it is essential the DCC manages its translation of commands to these differing TS groupings. Failure for the DCC to support all versions of the TS which may be in operation could mean a supplier is unable to support a customer in smart mode, which would jeopardise realisation of the benefits in the Governments IA for smart metering.

It would seem essential therefore for the DCC to support as many versions of the TS as can be in effect at any point in time, translation is after all one of the key requirements for the DCC delivery.

**EDF Energy
October 2016**