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Response to DECC's consultation on Draft DCC Prohibition Order
Consultation reference: URN 11D/957

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, combined heat and power plants, 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 DECC's consultation on the Draft Prohibition Order. Our detailed response is contained in the attachment to this letter.

EDF Energy understands the importance of the Prohibition Order to ensure that the licensable activity is protected under law. We also agree that no changes are required to the definition of a smart meter, which we accept as being required to be high level, at this time, however this response is made on the basis that further expansion of the definition will be necessary and should be contained in subsidiary documentation.

Should you wish to discuss any of the issues raised in our response or have any queries please contact my colleague

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

Yours sincerely,



Attachment: EDF Energy's response to DECC's consultation on Draft DCC Prohibition Order

	Questions	Response
1	Do you think any party other than DCC would be captured by the Prohibition Order as set out? If you consider other parties would be captured please identify them and indicate whether you consider this a short term or long term issue.	<p>EDF Energy appreciates the importance of the Prohibition Order to ensure that the licensable activities of the DCC are protected under law.</p> <p>We note that DECC has made clear on many occasions that the enduring arrangements will commence at DCC Go Live and will be based on suppliers using the DCC for all domestic customers.</p> <p>We note that DECC has indicated that "the Government will:</p> <ul style="list-style-type: none">• Include a condition in the DCC's licence that requires the DCC to adopt communications contracts associated with compliant metering systems if these satisfy pre-defined criteria and the volume of contracts adopted is consistent with the limit set by Government• Include an obligation in the suppliers' licences that, if the communications contract associated with a compliant smart metering system does not satisfy the criteria for adoption or exceeds the limit, the supplier must replace the WAN module when requested to do so by the DCC. The cost of replacement in this case would fall to the supplier." <p>We consider that there will be a short migration period during which suppliers will migrate their compliant metering systems into the DCC (or replace the WAN module so that the metering system can be migrated into the DCC). Assuming that the Prohibition Order can accommodate this migration period, then we do not consider that there will be parties that would be captured by the Prohibition Order.</p>

¹ SMIP Response to Prospectus Consultation: Central Communications and Data Management, para 4.28

		<p>We note that some suppliers may rollout significant volumes of non-compliant metering systems ahead of DCC Go Live. DECC has made clear on numerous occasions that suppliers who rollout before compliant meters are available in volume on the market do so at their own commercial risk. Hence we consider that any suppliers who rollout non-compliant meters will need to ensure they take all necessary steps to ensure they comply with the requirements set out within the Prohibition Order. On this basis, we do not consider that any parties will be legitimately captured by the Prohibition Order (other than during the migration period discussed above).</p>
2	Do you have any views on the definition of a smart meter set out in the draft Order?	<p>No changes are required to the definition of a smart meter which we accept as being required to be high level. However, it is necessary that further expansion of the definition is contained in Ofgem's guidance, and to provide clarity at each stage of Foundation and at DCC Go-live to ensure compliance.</p>
3	Do you have any further comments on the approach being adopted to structuring the licensable activity?	<p>EDF Energy agrees with the approach being adopted to structuring the licensable activity.</p>
4	Do you have any comments on the draft licensable activity as set out in article 4 of the draft Order (Annex 2)?	<p>EDF Energy has no additional comments on the draft licensable activity.</p>
5	Do you have any comments on the conclusions set out in respect of the proposed consequential amendments or on those assessed as unnecessary?	<p>EDF Energy has no additional comments on the proposed consequential amendments.</p>
6	Do you have any comments on the consequential amendments as set out in the draft order?	<p>EDF Energy agrees with the general approach being adopted. However, we would like to raise the following points on the draft Order:</p>

		<ul style="list-style-type: none"> Amendments to EA 1989 - Section 8 (3) – new para 3B refers to a “person has applied or is considering whether to apply...” whereas para 3C only refers to “applicant”. It would appear appropriate to amend 3C to refer to “the applicant or potential applicant”. Amendment to section 7A – this amendment has the effect of extending the licence transfer provisions that currently exist to the DCC licence. However, we question whether it would be appropriate to allow for <u>part</u> of a smart meter communication licence to be transferred to another party. Unlike other electricity licence types the policy is for there to be a single holder of a DCC licence.
7	Do you think that the DCC should be included in the standards of performance framework? Do you have any general views on the regulation of DCC’s relationship with consumers?	<p>EDF Energy believes this question should not form part of the Prohibition Order consultation and would best sit in the SEC consultation where comments would be made in the context of broader SEC proposals</p> <p>EDF Energy would support an incentive/penalty based performance regime which keeps the DCC focused on performance, managed through a SEC sub-group.</p>
8	Do you consider it necessary for the DCC (or its service providers) to be considered a “statutory undertaker”? Please explain the reason for your answer.	<p>EDF Energy agrees that the DCC (or its service providers) should be considered a “statutory undertaker” to allow them to appropriately maintain the critical communications infrastructure.</p> <p>The Rights of Entry Act 1954 may require changing to accommodate installation and maintenance of smart metering communications such as the communications hub.</p>

EDF Energy
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