

Smart Metering Implementation Programme – Regulatory
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Email: dccg@decc.gsi.gov.uk
Consultation reference: URN 11D/957

By email

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Haven Power Response to DECC Consultation URN 11D/957

Please find attached our response to DCC Prohibition Order consultation.

We hope the above comments are useful. Whilst the scope of this consultation is necessarily narrow we believe it is important to express a more general note of concern over the development of the DCC. We understand the principal reason the DCC was conceived was to provide safeguards over security and privacy concerns connected with smart meters. We believe its ability to do this is severely compromised;

- Non-compliant metering systems are being installed during foundation stage which are unlikely to be swiftly adopted by the DCC. Whilst they remain outside the DCC such systems are exposed to the risks the DCC is meant to safeguard and the duration of this exposure and number of metering systems affected are both increasing due to the slippage in the DCC implementation schedule.
- The recent proposal to exempt all suppliers from the roll out obligation for non-compliant foundation stage meters will further increase this risk.
- The DCC probation order will not prevent other non-licensed organisations from communicating with smart meters and therefore bypassing the safeguards contained within the DCC.

The DCC is highly complex and we believe the current development timescales and costs are considerably underestimated. Full scale roll out of smart metering is delayed until the DCC is operational, and this places additional stress on the implementation completion date in 2019. The likely costs have also attracted unfavourable comment from consumer and public bodies.

We believe it would now be sensible to take stock of the case for the DCC, taking into account alternative ways of achieving its aims and re-assessing the economic case for its creation. In our view, a simpler, cheaper and lower risk alternative is to consider extending the arrangements suppliers have already achieved for communicating with smart meters, and attributing the security and privacy requirements currently associated with the DCC directly to suppliers by licence changes. Some of the wider ambitions for the DCC, such as faster switching and rationalisation of settlements (we have argued that in any case it would be impractical for the DCC to facilitate such developments given the

scale of the challenge of supporting the mass roll out), would be better achieved by developing the existing arrangements. The review would should aim at assessing the viability and costs of such alternative approaches and compare them with the realistic cost and timescale to produce the DCC.

I am happy to discuss further the concerns raised in this letter and any aspect of our response to the consultation.

Yours sincerely

Smart Metering Implementation Programme
Haven Power Response to DECC Consultation URN 11D/957
A consultation on a draft Statutory Instrument the Electricity and Gas (Prohibition of
Communications Activities) Order 2012.

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.

No.

2. Do you have any views on the definition of a smart meter set out in the draft Order?

We support the definition and understand the reasoning.

3. Do you have any further comments on the approach being adopted to structuring the licensable activity?

We remain concerned about the difficulties in operating in the non-domestic market once the DCC is implemented, in particular in the area of procuring economic meter reading facilities. Whilst we understand it is necessary that the prohibition order is narrowly drafted and restricted to the domestic market, the DCC licence should contain an obligation to provide communications services to non-domestic smart meters on request from the supplier.

4. Do you have any comments on the draft licensable activity as set out in article 4 of the draft Order (Annex 2)?

In seeking to avoid inadvertently capturing other parties the drafting has created the opportunity for non-licensed parties to communicate with domestic smart meters (definition of licensable activity in section 65 refers). We understand and support the intention to avoid capturing communications to smart meters during the foundation stage (section 47). However, could you clarify it is the intention of the statutory instrument to continue to allow organisations to communicate with smart meters once the DCC service has been created? According to the draft order, they would be able to do so provided they contracted with some, but not all, domestic suppliers. Whilst suppliers are likely to have licence conditions placed upon them to prevent them accessing smart meters (directly or by using other organisations), there would be nothing to stop non-licensed entities. This is contrary to the fundamental justifications of the DCC, to protect privacy and safeguard security.

5. Do you have any comments on the conclusions set out in respect of the proposed consequential amendments or on those assessed as unnecessary?

None.

6. Do you have any comments on the consequential amendments as set out in the draft Order?

None.

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?

The DCC must be included within the standards of performance framework. However, since the DCC does not have a direct relationship with customers, compensation under the framework should be payable to the parties affected by its poor performance, namely suppliers, network operators or energy service companies. Compensation levels would need to reflect the central importance of the DCC to these businesses and the fact that the DCC is effectively (for suppliers) a monopoly provider.

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

We consider that it is not necessary to extend to the DCC the additional protections of a statutory undertaker.