

ESTA RESPONSE TO:



Smart Energy Code DECC

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ESTA Energy Services and Technology Association

ESTA is the UK Industry Body representing suppliers of products, systems and services for Energy Management. The 120 members cover energy consultants, aM&T providers, controls manufacturers through to full Energy Services/Contract Energy Management mainly working in the I&C sector.

ESTA is engaged with UK Government policies on Energy and Climate Change, The Green Deal, Energy Performance of Building Directive, Part L Building Regulations, Display Energy Certificates, Carbon Reduction Commitment, Energy Services Directive and the roll-out of smart and advanced meters. It also provides UK input to developing international energy management standards and Chairs several BSI committees.

ESTA members are key to the UK's realisation of a low carbon, secure and affordable energy future. Our members provide equipment, systems and services for energy management to reduce energy demand at source and including renewables.

Our response is a majority consensus of the members involved. Where ESTA members respond directly, they may offer differing opinions on some issues which we respect as expressing their own definitive view.

Smart Energy Code Consultation

ESTA welcomes the opportunity to respond to this consultation and continue to provide its supports for the smart meter implementation programme and its objectives.

Below are responses to the specific questions set out in the consultation.

Chapter 4 Involvement of the Meter Services Community

Question 2: Are the requirements of both meter asset providers and meter operators for access to smart metering systems adequately captured in this consultation paper?

ESTA believes that a Meter Asset Manager (MAM) should have full access to the smart meter locally from a Hand Held Terminal (HHT). In the event of either the Wide Area Network (WAN) going down or the consumer refusing to have a WAN or something erroring with the meter that cannot be rectified, there needs to be a facility where a visit can sort out the problem. Since many of these problems will be unforeseen, we would strongly recommend that full access is granted (appropriate security measures accepted) for the use of the HHT.

This is also likely to be required at the proving stage. There needs to be better provision for the Meter Asset Provider (MAP) for the risks taken on board over interoperability if investment has taken place in meters that later prove to be non-interoperable. The MAP needs assurance that compensation will take place.

Question 3: Do you support the Government's preferred solution to implement a simple variant of Option B whereby the registration of a meter operator in the existing electricity and gas registration systems would be deemed to constitute a nomination by the supplier of that meter operator to act as its agent to perform a specific set of commands?

The customer should always be able to nominate its Meter Operator (MOP) and this should be endorsed by the supplier whether the nominated MOP is the preferred contractor or not. Ideally, the consumer could contract the MOP separately (as in the Half Hourly (HH) market) to install and maintain an SMETS compliant meter. In this case it should be clear and transparent regarding costs deducted from a consumers bill. As suppliers generally have their own MOP businesses, it is important that this is taken on board to ensure best value from competition in metering.

Question 4: Should meter operators be given limited participation rights in SEC governance under Options B or C, and if so what rights would be appropriate?

Yes, MOPs should have limited participation rights in SEC Governance. The metering process is fundamental to the information that may be available for demand reduction and it is essential that the MOP can operate freely and fully in delivering the maximum benefits, which from a commercial viewpoint should be in excess of that of the suppliers.

Question 5: Would you support the tracking of assets being included within future system requirements for the new registration systems, which are proposed to be provided by the DCC?

The tracking of assets is best done by the MOP working on a distributed database, that is available to other MOPs if they take on the specific site.

ESTA as part of the Automated Meter Reading Service Providers Code of Practice for Gas Meters (ASPCoP) have implemented a similar mechanism for tracking AMR devices in the Industrial & Commercial gas sector – ASPConnect. Put in this context it would allow for the best party to manage the information on the asset (the current MOP) as a single source, but available to other MOPs and other parties through communication requests and responses through a central hub.

This technology using XML is well proven and in this model the DCC would be granted access to the full distributed database which by definition would be available to the suppliers. Such a model would avoid duplication and data conflicts.

Alternatively, ESTA believes that retaining ECOS and SCOGES with a connect into the DCC will deliver what is required. The benefits of incremental change provides more control over the retention of the things that work well whilst upgrading can take place to reinforce the system.

Chapter 7 enrolling smart metering systems

Question 12: Do you agree with the proposed rights and obligations relating to smart metering systems enrolment set out in this chapter?

The supplier should not have the right to enrol any non-domestic meter into DCC. Smart metering is designated for domestic consumers only – business consumers are able to install and pay for Automated Meter Reading (AMR) and advanced meters in the available market. If they have made such an investment, it should be protected. This is ESTAs understanding from DECC on this issue.

The party that accredits the metering system to be compliant must be DECC appointed and supplier independent. ESTA sees DECC responsible for developing the SMETS requirements and therefore ensure the requirements are met.

Enrolment will require proving on site. This is currently what happens in HH. The MOP is able to fully manage the meter through an HHT until a point where WAN communications are proven. The granting of rights for DCC to access the meter should also be reflected in the I&C market. Too often the case exists currently where customers (or their appointed third parties) cannot access their meter because the supplier is reluctant to hand over the technical details.

The I&C market will continue to lead the way in demand reduction from better meter information and it is imperative that the programme ensures that this continues.

The consumer should also have the right to withdraw from the DCC over performance issues and the appropriate fees should then be deducted from the bill in a transparent manner. The consumer, or a properly represented consumer group should have equal representation to any other stakeholder grouping that decides on Key Performance

Indicators (KPIs). ESTA favours a mechanism whereby a Distribution Network Operator (DNO) can install a smart meter, but believes that this should not just be restricted to emergencies – it should be the option of the consumer.

Question 13: Do you agree that the SEC should require, as a condition of enrolment, that the supplier grants the right to the DCC to access its smart metering system for specified purposes?

If the consumer requires information that can only be obtained through the DCC, then the consumer should be able to obtain it through the supplier.

Question 14: Do you agree with the proposed rights and obligations relating to smart metering system withdrawal and replacement of devices?

The supplier should not have the right to withdraw any part of a smart meter system not paid for through passive consumer consent. In all other circumstances, where a consumer has specified part of the system or expressed a view or opinion regarding the system then the supplier should not have the right to remove it.

Chapter 8 Core and elective communication services

Question 15: Do you agree with the three different types of eligibility to receive core communication services that have been proposed?

ESTA is concerned about the definitions of the core communications services and the fact that the success of the DCC and smart meters are dependent on the final and absolute decision on what these are. Energy requirements to improve best practice are constantly changing and ring-fencing what is and what is not a core service will be difficult if not impossible.

SMETS2 metering systems cannot be developed and DCC implementation cannot really begin until current and future requirements have been encapsulated in the overall process. Over the next 18 months by the time meters have been produced and the DCC has been cut-in the requirements will have changed. Change control is therefore necessary even before the first versions appear on the market.

What is required is for the DCC to support unspecified data items on the basis of charge per bytes of data sent. It is imperative that the DCC supports new requirements seamlessly and at low cost and impact.

Question 18: Do you agree that SEC Parties should be able to request elective communication services from DCC on either a bilateral or multilateral basis?

Multilateral is preferred but depends on the make up of the SEC. Bilateral would be fine if the SEC were properly made up. However done, the SEC should be fair and representative. Consumers, Service Providers, Smaller and of course larger suppliers should have an equal voice and vote on the panel.

Question 19: Do you agree that the following SEC requirements associated with the provision of core communication services should also apply to elective service provision: DCC user entry processes, technical security requirements, data privacy requirements, financial security requirements and dispute arrangements.

Elective services will be competitive, that is outside of a supplier's regulated duties. They will be opportunities for third parties to offer products and services to improve best practice. Experience has shown in the NHH and HH markets that the requirements described are often used (indeliberately) to a suppliers competitive advantage. In this sense codes should be put in place to satisfy competitive advantages are not inherent in the system in order to protect all parties.

Chapter 9 DCC charges

Question 24: Do you think that the proposed approach for DCC charging is reasonable?

ESTA believes the DCC should be able to charge and invoice a supplier and handle disputes after. However, if the consumer is unhappy with DCC performance then the consumer should not be required to pay until the dispute is resolved. Therefore the supplier will need to bear the risk associated with the dispute. DCC costs should clearly be itemised on the bill and there should be a charging facility for unspecified data packets on a pence-per-byte basis to ensure future-proofing.

Question 26: Do you accept that bad debt should be socialised explicitly within the current charging period across all DCC service users?

No. Perceived poor performance from the DCC may be because of poor performance of one of the suppliers they are serving. This should not be 'hidden' and paid for by all. The best suppliers should benefit from being good users of the system.

Chapter 12: The SEC Panel

Question 28: Do you think that a fully independent panel is the appropriate model for the SEC?

No. A fully independent panel will not understand completely the details of the industry and the practical problems that are faced. As referred to in the response to Question 18, the panel should be a fair representation of industry stakeholders with all groups having no more say than the other. Consumers and smaller suppliers in this regard should have more of a say to be compared to the overwhelming voice and input given to the larger suppliers.

Question 29: Do you agree that the proposed SEC Panel composition set out in Box 12C is appropriate?

The suggestion is not in proportion to the cost/benefit of the stakeholders. From the suggested composition any item raised that is deemed not in the interest of suppliers cannot be carried through. Equal voting should be given to all stakeholders. This is the only way to create a level and fair playing field where the panel can work in the best interests of the system.

We would strongly suggest that the voting privileges are shared. And would recommend that 1 vote for each is provided. i.e. 1xlarge supplier, 1xother users of DCC communications services, 1xConsumer representation. Or 2x all to take into consideration electricity and gas suppliers.

If this composition is carried through we would ask DECC to explain how an SEC issue in the interest of consumers but not of suppliers would gain enough of the casting votes to succeed. If large suppliers continue to dominate panel voting, why have a panel? Surely, if an issue is in the best interests of the system then with the make up of the panel equal all stakeholders are on board.

Question 30: Do you agree with the proposed division of voting and non-voting members, and in particular do you believe that the DCC should be a non-voting member in respect of any or all aspects of panel business?

See answer to question 29.

In addition, if equal voting rights are provided across the stakeholder board the impact of any vested interest votes would be minimised.

Question 32: Do you agree with the proposed arrangements for panel member elections and appointments?

Yes. To the extent that the composition satisfies the response to Question 29.

Question 33: Do you agree with the proposed rules in respect of proceedings and decision making at SEC Panel meetings?

Yes. To the extent that the composition satisfies the response to Question 29.

Question 34: Which of the two options for remuneration of panel members do you prefer, and why? In particular which of these options do you believe would be most aligned with each of the options for the panel to be either an independent or a representative body as a whole?

Option 2. Resource stricken stakeholders such as consumer representatives need to be empowered in order to maximise their voice for the benefit of the industry. DECC need to make integration into important roles within the energy industry easier for demand side stakeholders who are far shorter on resource than their supply side counterparts.

Question 37: Do you have any views on the proposals regarding which parties should be entitled to raise SEC modification proposals?

All parties should be given the consideration proportionate to their stakeholding (see answer to question 29).

Question 40: Do you think it is for the panel or for the Authority to decide whether a modification proposal should be considered urgent and determine its timetable?

On the basis that the response to Question 29 is observed, ESTA believes that the panel should be empowered to make these decisions. However, in the event that the panel cannot reach a decision then we recommend that the Authority has jurisdiction. In addition, a further appeal route following an Authority decision should lead back to Government.