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Dear Sir / Madam

Re: Consultation on the Smart Energy Code April 2012.

This is the response to the consultation from DECC dated April 2012, seeking views on the Smart Metering Implementation Programme – Smart Energy Code from Siemens Metering, Communications & Services.

It is limited to the questions relating to Chapter 4: Involvement of the meter services community only. That is to say questions 2 – 5 and as requested this is framed in response to the questions posed with some additional comments.

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

If not, please provide additional details of the requirements and why they are required.

In general from a Meter Asset Provision perspective the requirements are quite straight forward in that we generally require adequate controls / data access to ;

- identify where owned assets are throughout their life time,
- ensure that suppliers pay the appropriate charges for the assets, and
- to ensure that physical assets are returned efficiently and accurately on removal

Paragraph 61 captures these key requirements quite succinctly with regards to access to smart metering systems / data, although the future engagement process regarding the detail will need to ensure that items such as; the date of Change of Supply; battery life information, are included in the final conclusions.

Siemens Metering, Communications & Services believe that the ability to have up to date information regarding their portfolio of assets has many benefits that must be taken advantage of in order to improve current limitations that meter asset providers have today, and that we have experienced.

Meter asset providers have a requirement that their asset register systems are populated with current and accurate information about their portfolio including: when an asset is installed or removed, where it is installed i.e. the premises/MPAN/MPRN, the location within a premises, who installed or removed it; the current supplier; the current configuration (e.g. credit/prepayment); current version of firmware and history of firmware updates, if it has its isolator/valve in a disconnect position or in-service position, alarms and alerts raised by the metering system, the ability to retrieve diagnostic status, tamper and fault data from the smart metering system. All of this information is required to understand and monitor the performance of the assets.

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Siemens Metering, Communications & Services are of the view that the 'on-line' information available via the DCC is very powerful for a MAP in terms of (a) the physical tracking of an asset and (b) managing a portfolio of assets. These allow assets to be managed more closely than in the legacy world to provide reliable assets that can remain on the wall for their design life, reducing risk of investment and therefore reduce the costs of the provision of smart metering assets.

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?

This question is quite pointed towards the solutions associated with a meter operator and whilst Siemens has views in this area as below, the question has not been asked as to whether we support DECCs view that a MAP can operate under Option A.

We recognise that the principles of the Supplier Hub have been pursued to date and that it is recognised that there are limitations to the degree that this has been undertaken successfully to date, from a MAP perspective.

The inference of assuming that option A is acceptable is that the MAP can rely on data availability from the Energy Supplier to support the flow of data to the MAP, however in the competitive market the degree of inconsistency is not conducive to maintaining accurate control particularly with regard to the ever changing landscape of Energy suppliers, particularly with regard to the smaller energy suppliers and new entrants, combined with the ever increasing Change of Supplier events.

Consequently Siemens believe that Option B is more appropriate for MAPs, where they have direct access to data from the DCC as a party and we feel that the principles of a "Supplier Nominated Agent" more adequately satisfy the requirements of the MAP. The principles of adopting a more permanent recognition of the MAP are understood and applauded, but feel that the reliance on the industry to agree a suitable interim arrangement will not appear without a degree of encouragement from both DECC and OFGEM.

The MAP in many respects remains the one consistent party throughout the lifetime of the asset. This drives a degree of responsibility to own asset related activities including firmware activities. To this extent the MAP requires a more formal recognition and its own access rights to data, that in future need to be provided automatically rather than the current position of having to ask.

From a meter Operator perspective the consultation highlights the fact that meter operators have a requirement for direct access to smart metering systems for the effective performance of tasks such as diagnostics / responding to alarms or alerts, and installation & maintenance purposes. Options B and C are considered below.

Option C

Siemens, Metering Communications & Services' preference would be for Option C such that meter operators have a contractual right to communicate with the DCC under the SEC. This still requires suppliers to nominate meter operators to undertake certain communications with the DCC on their behalf under the supplier hub principle.

The direct participation in SEC for meter operators would benefit the industry as they would have the opportunity to participate in the governance of SEC. Their experience would be more readily shared with other SEC parties such that common issues could be resolved more efficiently and improvements implemented more easily.

The raising of change modifications under the BSC are limited to: a Party; the National Consumer Council; other bodies representative of interested third parties as may be designated; and the Panel in various scenarios. The involvement of the electricity meter operator, as a Party Agent, is limited to the consideration

of the implications of any proposed changes. On several occasions it has been apparent that these governance arrangements are quite restrictive.

Having said this, if the meter operator is a 'Nominated Meter Party' under the SEC, the benefits would have to justify the payment of charges that will apply to that party category. The consultation states that "consideration would need to be given as to whether Nominated Meter Parties should automatically get full participation rights in SEC governance, or whether, by their special nature, their participation rights would be more appropriately restricted". If any restrictions prohibit meaningful engagement in SEC governance it may be difficult to see what the benefits of Option C are over Option B. This needs to be clarified so that meter operators can clearly understand the differences in this respect.

Option B.

Siemens Metering, Communications & Services believe that option B is beneficial as it formalises access to DCC, and the ability to communicate with smart metering systems, for meters operators and Meter Asset Providers Operators whilst operating under the supplier hub principle.

Siemens Metering, Communications & Services support the fact that this option provides meter operators with full access to all of the smart metering systems against it is registered from a DCC perspective. As such, any limitations on access are controlled by commercial arrangements between the supplier and the meter operator acting as a 'supplier nominated agent'.

We also support the Government proposal that the registration of a meter operator is a deemed nomination by the supplier of that meter operator to undertake certain communications with the DCC on its behalf.

In terms of the points made in paragraph 78 of Option B as to whether, from a system or process perspective, there will be any practical limitation on the number of Supplier Nominated Agents allowed per supplier (and/or per smart metering system) and if so, how this would be implemented in the SEC, Siemens Metering, Communications & Services would make the following points:

This bullet point attempts to cover two issues that need to be separated.

There should be no limitation on the number of 'Supplier Nominated Agents' allowed per supplier. The meter operator and meter asset provider are competitive roles and there should be no limitations on competition. If a supplier wants to use a number of different meter parties then this should be permitted without limitation. This may be beneficial in terms of comparison of service quality and cost.

The number of 'Supplier Nominated Agents' allowed per smart metering system does need to be limited. There should be one appointed Meter Operator responsible for the electricity installation and one Meter Asset Maintainer responsible for the gas installation. These may be the same organisation it is appointed as both Meter Operator and Meter Asset Maintainer.

Write command authorisation- meter operator.

Paragraph 78 considers whether under Option B, authorisation in relation to any 'write' command should be limited to a single entity.

Siemens Metering, Communications & Services believe that this limitation is not required. Under this option both the supplier and the meter party have direct access to the DCC's communication service and access restrictions will be catered for by the supplier's commercial arrangements with each of its meter parties. Access to DCC by a supplier and meter operator (as a 'Supplier Nominated Agent') will be limited by the current registration details held by DCC. The Supplier will be able to control which write commands are used by a meter operator via its commercial arrangements. This retains flexibility such that a Supplier can authorise 'nominated agents' to be responsible for some/all write commands or retain some/all for its sole use. This flexibility will remove a potential barrier to competition in electricity and gas supply market that may otherwise be caused by IS system requirements for interaction with the DCC.

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, limited participation rights in SEC governance should be a minimum.

As mentioned in the response to question 3, Siemens Metering, Communications & Services is of the opinion that the direct participation in SEC for meter operators would benefit the industry as they would have the opportunity to participate in the governance of SEC. Their experience would more readily be shared with other SEC parties such that common issues could be resolved more efficiently and improvements implemented more easily.

The raising of change modifications under the BSC are limited to: a Party; the National Consumer Council; other bodies representative of interested third parties as may be designated; and the Panel in various scenarios. The involvement of the electricity meter operator, as a Party Agent, is limited to the consideration of the implications of any proposed changes. On several occasions it has been apparent that these governance arrangements are quite restrictive. We see the ability to raise changes for the modifications to the SEC as a requirement.

It is not apparent what the difference in participation rights would be between Option B where a meter operator would not be a SEC party and Option C where it would. Any differences in restrictions that may prohibit meaningful engagement in SEC governance need to be made clear.

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

There is a requirement to cater for meter asset provider requirements from DCC commencement. This may have to be an interim solution pending the more permanent long term solution mentioned in this consultation regarding future system requirements for the new registration systems. Please see comments below regarding access control for meter asset providers.

Access Control for a meter asset provider.

The Executive Summary describes the fact that there is no registration of meter asset providers equivalent to that of meter operators and that the Government proposes that their access should be provided via their supplier(s).

It states that the Government recognises that this solution will not provide meter asset providers with a mechanism to track their assets – a particular matter of concern to such parties. This term 'tracking assets' in the consultation document refers to tracking of the current supplier during change of supplier events (paragraph 64).

Siemens Metering, Communications & Services would make the observation that this terminology is a little confusing as it is often used to keep describe the monitoring of the physical location of an asset. In terms of DCC information, that is to say whether the asset is at an MPAN/MPRN in service or has been removed. (This is covered by the physical events onsite - paragraph 61)

Siemens, Metering Communications & Services would make the following points:

Firstly, as stated in paragraph 88, the Government is only suggesting that it would be an opportune occasion to consider including appropriate requirements of meter asset providers when it carries out the planned transfer of registration responsibilities.

This does not give the commitment that meter asset providers are seeking such that they will have direct access to the DCC in the future.

Secondly, the timescales for the transfer of registration requirements, when the meter asset provider requirements may be considered, is vague at "some two to three years after the DCC commences operations."

Thirdly, the Government suggests that in the interim it would look to the wider industry arrangements and the active co-operation of all parties to seek cost-effective solutions. This leaves the issue un-resolved and with no defined process map for improving the current arrangements for meter asset providers.

Siemens Metering, Communication & Services do not believe that the proposals meet the requirements of the meter asset provider. Meter asset providers require direct access to the DCC for the reasons described in the response to Question 2. Any limitations on access would be controlled by commercial arrangements between the supplier and the meter asset provider under the supplier hub principle. (as with meter operators) We appreciate that access control in the DCC for meter asset providers cannot be catered for by registration system information as meter asset providers are not in registration systems at present. We welcome the proposal to add this role into the registration in the future.

However, in the short term as an interim measure, we would suggest that direct DCC access control for meter asset providers can be achieved by the establishing of the relationship between an asset and the meter asset provider as part of the asset details load process when the assets and security settings are loaded.

As such, a communication request to a particular asset from a meter asset provider could be accepted by the DCC and actioned if the meter asset provider Id within the request message matches the meter asset provider Id held against the asset.

This would give meter asset providers an interim mechanism for direct access to the DCC.

In addition to this, Siemens Metering, Communications & Services support the inclusion of the meter asset provider as a role to be catered for when the planned transfer of registration responsibilities to the DCC takes place in two to three years after the DCC commences operations. This formal recognition of meter asset provider will then cater for asset ownership transfer, by introducing the concept of a current meter asset provider, which will happen in this competitive arena and is something catered for today in the electricity market by an industry data flow. This will also enhance the profile of this important industry role.

Siemens Metering, Communications & Services also have some concerns in a process that involves a meter asset provider feeding data via a supplier system, certainly in the longer term. Under Option A, with the requirement for all communications with the smart metering system to be via the supplier, there is a risk that the additional complexity of this may result in delays and exception handling in the processing of communications with smart metering systems. Meter asset providers need timely access to data from their assets with the ability to receive alarms as soon as they occur and requested data within short timescales.

Write command authorisation – Meter Asset Provider.

Paragraph 78 considers whether under Option B, authorisation in relation to any 'write' command should be limited to a single entity.

Siemens Metering, Communications & Services believe that this limitation is not required.

Under Option B both the supplier and the meter party have direct access to the DCC's communication service and access restrictions will be catered for by its commercial arrangements with each of its meter parties. The commercial arrangements between the supplier and the meter asset provider can include limitations for a meter asset provider that has remote access to a smart metering system by virtue of its MAP id being held against an asset in the DCC (from the DCC asset load process as mentioned above). This being equivalent to the meter operator access control by virtue of its registration being limited by its commercial arrangements with a supplier.

The Supplier will be able to control which write commands are used by a meter operator via its commercial arrangements. This retains flexibility such that a Supplier can authorise these agents to be responsible for some write commands if they wish.

It is envisaged that primary write capability that may be required for Meter Asset Providers is the ability to maintain firmware versions of the assets that they own.

Additional note – relevant to meter operator and meter asset providers:

Meter services community

Paragraph 53 introduces the term 'meter services community' as a collective term for those organisations which provide meter related services to electricity and gas suppliers i.e. Meter Asset Providers, electricity Meter Operators, and gas Meter Asset Managers.

Siemens Metering, Communications & Services are not keen on this grouping of the three roles of Meter Asset Providers, electricity Meter Operators, and gas Meter Asset Managers. These three roles are established and recognised roles in the utility metering services market and should be considered independently.

We are of the view that these roles should be considered separately due to their discrete industry roles and that these should be accounted for in business process diagrams to provide clarity and avoid confusion for all parties in the industry. (i.e. swim lanes for different parties)

Yours faithfully,

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