



By Email

MRA Service Company Limited
10 Fenchurch Street
London
EC3M 3BE

T:
Fax: 020 7090 1001
email: helpdesk@gemserv.com

www.mrasco.com

Smart Metering Implementation Programme – Regulation Team & Regulatory Design Team
Department of Energy and Climate Change
3 Whitehall Place
London
SW1A 2AW

1st June 2012

Re: Consultations on: the Smart Energy Code April 2012 (ref URN: 12D/034)
DCC Licence and Licence Application Regulations (ref URN:
12D/030)

Dear Sir or Madam

The MRA Executive Committee (MEC) is pleased to provide a response to the above consultations in the context of the management committee for the Master Registration Agreement (MRA).

1. Smart Energy Code (ref URN: 12D/034)

MEC is pleased to note the proposed requirement for the SEC Panel to establish joint working arrangements with other industry panels and committees and confirm their support for this.

MEC looks forward to the continued development of the scope of matters to be included in the SEC, and how that code will fit into the wider regulatory framework. It is anticipated that liaison will be required between a number of areas of MRA operations and governance and the SEC. It can be foreseen that a principle operational and governance area where the MRA and SEC could work jointly would be registration services; both in the matter of support of the existing MPAS systems for the DCC's access control functions as well as the future development of Energy Registration Services. MEC discuss this further in the response to the DCC licence drafting below.

The consultation notes a number of areas of the proposed content for the SEC will be addressed through the ongoing policy development. Of these, MEC consider two areas as candidates for joint working, both with the Programme's policy development and the SEC Panel:

- Performance assurance: certification and accreditation requirements; and
- Transitional arrangements that may apply from the introduction of the SEC to DCC go-live and rollout completion.

It is understood that these will form the subject of future papers and consultations and MEC will look to provide responses to these as necessary.

MEC have established effective methods of joint working with other codes and the liaison between the MRA and BSC governance and change control are case studies that may be of use to the Programme and the SEC development. It may also be of interest to the Regulation Team that the MRA and BSC both contain provisions acknowledging the desirability of consistency and co-ordinated change control between the two codes. MEC would be pleased to share any further information regarding these matters with the Regulation Team if this would be of assistance.

2. DCC Licence and Licence Application Regulations (ref URN: 12D/030)

MEC has noted two aspects in the DCC licence drafting that have implications for the MRA and wish to draw the Programme's attention to the following considerations.

Compliance with Core Industry Documents

Condition 21 proposes that the DCC, unless the Authority consents otherwise, must be a party to a number of existing codes, of which the MRA is listed as one of those codes. The consultation further notes that the codes to which the DCC will need to be a party is yet to be determined and is dependent on the further development of the Smart Energy Code.

MEC wish to make the Programme aware that introducing a new party category for the MRA will require fundamental revision to the MRA, which does not contemplate the participation of parties other than suppliers, network operators and settlements. It is the view of MEC that the scale of change required would also extend into the code-owners' licences (in this case the electricity Distribution Businesses), having regard to the scope and remit of the MRA being set in those licences (distribution licence Condition 23).

The timescale for DCC licence Condition 21 requires that the DCC would be admitted as party to the nominated codes from the DCC Licence Commencement Date, anticipated to be 1st April 2013. The DCC is not expected to be active until the Go Live date and it is unclear in what capacity the DCC would participate in the MRA arrangements. Nevertheless, the current drafting of the proposed DCC licence condition means that the MRA needs to prepare for the DCC to be accepted as a party to the MRA irrespective of whether the Authority subsequently consents that this is not required.

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In order to enable this, material changes to the MRA would need to be progressed and in order to do this, a number of clarifications would be required from the Programme. Principle matters include:

- the role the DCC would have as a party to the MRA;
- the extent of the DCC's participation under the MRA;
- any voting rights attached to the DCC role/participation;
- any representation rights on committees;
- any funding obligations on the DCC.

In light of the above, MEC considers that the issues arising from this proposed DCC licence requirement merit further analysis within the Programme and this will need to commence soonest if the arrangements being effective from April 2013 remains a requirement.

MEC is aware that SMRG WG4 has responsibility within the Programme for identifying and progressing for any consequential changes to existing codes and licences. To date a requirement to enable the DCC to become a party to the MRA has not been raised to MEC. It is strongly recommended that SMRG WG4 look at the requirement in Condition 21 of the DCC licence and confirm what action is to be taken. To inform the discussion, MEC wishes the Programme to take into account that the work recently undertaken related to the consequential MRA changes to provide registration information to enable DCC's access control does not require the DCC to be a party to the MRA.

In light of the proposals in DCC licence Condition 21, it is prudent to commence assessment of the impact of the DCC being a party to the MRA and MEC request that the Programme confirms this through the existing collaboration with SMRG WG4.

Energy Registration Services

The draft DCC licence conditions include a condition (15) for the Incorporation of Energy Registration Services. Within this condition it is noted that, before the Secretary of State can make a direction to the DCC to incorporate registration services, a consultation must be undertaken and MRASCo is named as one of the organisations that must be consulted. Notwithstanding that the use of MRASCo in the licence drafting may be intended as synonymous with the MRA, MEC welcomes that the MRA will be included in any consultation by the Secretary of State regarding the future of Energy Registration Services.

In November, MEC provided a response to the consultation on the policy for the DCC, drawing the Programme's attention to the role of the MRA in both the existing registration arrangements and in any future discontinuation of these in order to transfer the services to the DCC.

MEC is of the view that the exercise to develop the Energy Registration Services for the DCC will be an ideal candidate for the joint working arrangements between the SEC and other codes and we look forward to working collaboratively to ensure an end to end solution for the discontinuation of distributor-owned MPAS registration and transfer to a DCC operated service. In this regard, MEC believes that the collaborative working between the MRA and various Programme workgroups stands as a good model to use when considering the

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development of the Energy Registration Services under the DCC and SEC; and confirm their future support for this approach.

Yours sincerely,

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Chairman, MRA Executive Committee