

Consultation on the Smart Energy Code April 2012

SMART METERING IMPLEMENTATION PROGRAMME

SMART ENERGY CODE

Chapter 4 – Involvement of the meter services community

Introduction

Lowri Beck Services Limited is an experienced independent electricity and gas service provider. Established in 1996, the business provides nationwide electricity and gas metering & data management services to a number of the utility suppliers, gaining significant experience and a detailed understanding of the practicalities of providing nationwide metering services.

Lowri Beck is an accredited as a registered Ofgem Meter Reading Agent (MRA), Non-Half Hourly Meter Operator (NHH MOP), Meter Asset Provider (MAP), Non-Half Hourly Data Collector (NHH DC), Non-Half Hourly Data Aggregation (NHH DA), Gas Ofgem Approved Meter Installer (OAMI) and Gas Meter Asset Manager (MAM).

The business provides many of the end-to-end services as well as individual elements for and on behalf of the utility suppliers as authorised and appointed agents. Access to industry data flow recognised systems are crucial to the day-to-day operation of our data transfer transactions.

Executive Summary

The provision, installation, and maintenance of the Smart Metering System are fundamental activities to delivering a successful rollout. Although the obligation to achieve the roll-out will be placed on Suppliers through licence conditions, it will be Meter Operators/Meter Asset Providers who will undertake the work backed by commercial agreements. Recognising this input and formalising the roles will strengthen competition in the smart industry and make it more efficient and flexible.

The strategy for delivering metering services within the smart metering market, and thus the relationship with Meter Operators will be different across the supplier community, especially where the larger suppliers have integrated metering business for some or all of their nationwide customer base. Smaller suppliers typically rely more heavily on the detailed technical knowledge and experience of their metering agents to ensure a safe and efficient installation and maintenance service. The implementation of new business processes to support smart and the DCC operation must recognise these differences and provide options for working that does not disenfranchise any particular group.

We are therefore pleased to note that Government recognises these issues and is in support of enabling Meter Operators to have direct access to metering information via the DCC. Option B described is a simple but very effective means of achieving the level of data access we require, with the definition of the actual activities we will undertake covered in our commercial agreements with the suppliers. This maintains the supplier hub principle and the control suppliers require but, should they feel their management of contracts is not sufficient additional validation processes could be added to limit the activities to 'read only' for meter technical details only. We do not believe it will be necessary for us to access customer specific information – tariff, prepayment balances, and consumption etc, so data privacy and access concerns are less of a concern.

We are also pleased to note the consensus view of the attendees at the Smart Metering Review Group – Working Group 2 meeting on 8th May was also in support of Option B.

We recognise that data could be provided via the supplier (Option A) but are concerned about the added complexity this introduces and the potential time delays that could affect the service provided to the consumer. Any added complexity inevitable leads to higher cost and a greater likelihood of failure. The positive buy-in by consumers to the benefits of smart is vital and we would not want that to be compromised.

Consultation Questions

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

Yes

The activities a meter operator would undertake on behalf of the supplier as a 'Supplier Nominated Agent' under Option B could be defined in greater detail for example;

- to allow read only access
- write only access for on-site commissioning (in the absence of communications)
- access to meter technical data only, no consumer information.

This extra layer of access control may alleviate the concerns of some suppliers without compromising the service to consumers.

The Meter Operators role and process requirements are being discussed in the Business Process Design Group (BPDG) but needs further work to define the appropriate access control. We are keen to work with Government, suppliers and DCC service providers to develop this further.

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?

Yes

We support the view that Option B is a simpler process to set up and operate and is consistent with a number of existing industry codes. This would be a lower cost and least bureaucratic option that would not create a significant barrier to smaller independent meter operators. However there would need to be a formal way for 'Supplier Nominated Agents' to be involved in the modification and change process (see question 4)

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

Although the activities undertaken by Meter Operators will be, in comparison to that of the suppliers or network operators, relatively small, the fundamental nature of our work in achieving successful meter installation and commissioning volumes means we have a significant interest in the day to day operation of the DCC.

If the Panel membership is made up of independent experts as proposed in the consultation and it is confirmed that that expertise covers all aspects of metering services, we do not believe we need direct representation on the Panel. However if the Panel constitution is made up of representatives from the main industry parties we would propose inclusion of a member representative from the Association of Meter Operators.

Our key concern is to be a part of any modification or change control process. Full communication of all modification requests and the ability to submit comments and attend appropriate workstreams when we are affected is vital. The ability to raise modifications could also ensure we can operate efficient however we recognise that any improvement in our service would also benefit the suppliers so we could look to them to sponsor any change requests on our behalf.

It has been suggested that in time the SEC has a wider remit and encompasses some of the existing codes providing a more unified approach to gas and electricity. Should future changes to the role and activities of the DCC and development of the SEC take on other codes which would have a significant effect on us we would wish to strengthen our role in the governance

Question 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?

The consultation document correctly identifies the rationale for MAPs to have access to information about their meters through the DCC and the issues with the current industry processes that makes this difficult. Smart metering will deliver a benefit that has been missing in the pre-smart world, the ability to contact a meter/smart asset and check that a meter is still in service and the MPAN/MPRN on which it is in use or that it has been removed. MAPs should have direct access via the DCC to interrogate the metering system for this purpose. The cost of smart meters will be significantly higher than the current 'dumb' meters and the impact of the associated commercial risk to MAPs of 'lost' meters or uncollected rental payments should not be ignored. It should also be noted that under the revised format of electricity serial numbering proposed by the UKMF to cater for numbers of meters in Smart, the MAP identifier within the serial number on the asset will be removed which increases the need for MAPs and suppliers to manage assets. We are disappointed that Government has not taken the opportunity of smart implementation to direct changes in the legacy systems to make this access possible now.

Although there is general support now for the inclusion of the registration processes in the DCC at some time after the initial start of DCC operations, we do not have absolute agreement when this will occur. It may be that issues discovered in the early stages of smart mass rollout delay any significant change to the DCC. The continuation of problems with tracking assets and knowing which supplier to charge for rent will inevitable increase the risk to MAPs and hence the cost.

The commercial arrangements are clearly outside the scope of the DECC smart metering programme but it is important that the framework is put in place to support the commercial arrangements. This requires the role of the MAP to be recognised in the Business Process Design Group work and for direct access to be granted at the earliest possible time. With support for changes to the legacy systems with the introduction of a MAP identifier in both electricity and gas systems we believe this could be achieved at the start of the DCC operations.