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19th August 2013

For the Attention of -
Smart Meters Programme

Department of Energy and Climate Change
Smart Meters Programme
Lower Ground Floor 1
Victoria Street
London
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Dear Mr Hatherick

Reference: **Calvin Capital response to DECC's proposed amendments to roll-out licence conditions in the non-domestic Market.**

I refer to your consultation published in June 2013.

Calvin Capital (hereafter referred to as Calvin) welcomes the opportunity to respond to Baroness Verma's letter detailing the governments proposed amendments to roll-out licence conditions in the non-domestic market.

By way of introduction, since 2002 Calvin has been providing MAP and funding services to energy suppliers in relation to the provision of domestic/non-domestic meters (smart & traditional).

Calvin believes it is vital to be at the forefront of industry debates and to respond in earnest to such proposals as laid out in your letter. We believe our input allows DECC to make complex key decisions which ultimately help SMIP to keep momentum, as well as allowing Calvin to help mitigate risk for ourselves, our customers and all concerned parties.

If you have any questions or wish to discuss Calvin's response please contact me on

Yours sincerely

Director of Regulation and Industry Planning

1. In reaching a final decision, the Government would welcome views on:

- ***Whether the period during which advanced meters can be installed should be extended***

After evaluation of the 2009 licence condition consultations, DECC determined the period within which advanced metering may be installed and still contribute to the overall smart metering obligation. DECC agreed the end date of this period as the 5th April 2014 in order for the end of AMR installations to coincide with the start of mass rollout which would also be the point at which SMETS 2 and DCC services would be made available.

At present the dates at which mass rollout begins and SMETS 2 and DCC services are made available have been pushed back to Q4 2015, a delay which has been implemented to ensure the best possible start for mass rollout.

With DECC's original dates now changed it would seem fitting that the period for which AMR meters can be installed should be extended to fall in line with the new dates of mass rollout. In the period between now and mass rollout, suppliers who have the capability can install SMETS 1 meters which would offer customers the added functionality of a smart meter and would have the option to enrol into the DCC when the service becomes available.

If the period was not extended this would see additional pressure placed upon on smaller suppliers who have yet to upgrade their systems to allow for SMETS 1 meters. With no systems to support the additional functionality smaller suppliers would either install SMETS 1 meters and not offer a smart service or reduce their install profile until their systems are upgraded which could be as late as mass rollout. If the AMR installation period was extended this would offer smaller suppliers further time to upgrade their systems in order to benefit from SMETS 1 & 2 meters, whilst also offering AMR installations which are already providing early energy and carbon savings.

- ***The impact on the non-domestic metering market if the exception period were not extended***

As stated above if the exception period were not extended and suppliers had not established their internal systems in order to communicate with SMETS 1 (2) meters and utilise their data, under these circumstances they may prefer to wait until mass rollout before installing new metering systems. This would see a reduction in orders placed with manufacturers, a reduction in installs and maintenance visits for MOPs/MAMs and a reduction in the benefits to both the customer and supplier of remote energy data being available, realising early the benefits of smart metering.

- ***What effects any extension would have on the operation of the supply market***

If the extension were to be granted this would see AMR meters installed alongside SMETS 1 meters this would ensure that consumers had access to the benefits of early roll out of smart metering without waiting for the Mass Roll Out to begin.

- ***Whether any arrangements should apply in the same way to both electricity and gas meters***

The original exception period was designed to incorporate both gas and electricity meters in line with the expectations that smart roll out applied equally to the Gas and Electricity markets. Dissection of energy types at this stage could possibly lead to confusion, a loss of momentum and would ultimately dis-joint what should be a holistic implementation programme. There seems no reason to treat the two energy types differently; the same original strategy should apply with the only change being the extension of the exception period.

- ***If it should be extended, whether it should be extended to:***
 - ***April 2015;***
 - ***April 2016;***
 - ***A date that would be designated in due course with an appropriate notice period (for example, six or twelve months)***

The original exception period was developed to run in parallel with mass rollout and the availability of SMETS 2 and the DCC. If the exception period is extended it should be extended in line with the new dates of mass rollout. As there is still the possibility that these dates may change it would seem sensible to select "a date that would be designated in due course with an appropriate notice period".

If the above option is chosen this would give DECC the opportunity to monitor the progress of mass rollout giving them the ability to end the exception period extension in line with the successful deployment of mass rollout.

2. Exceptions for advanced installations after 5th April 2014

If the AMR install period is not extended then the exception for installations after April 2014 should remain as per the 2009 licence conditions and even if it is extended the exceptions should still remain. If an agreement has been made with a multi-site organisation to install advanced metering and this obligation has not yet been met then they should have the choice of whether to continue the deployment of ADM meters or switch to SMETS compliant systems.

3. The Government would welcome views on

- ***Definition of non-domestic electricity sites***

Calvin supports the Governments views on amending the definition of non-domestic premises to mean all non-domestic sites in Profile Classes 1-4.

The change in definition will offer clarity to suppliers and prevent the possibility of inadvertently missing sites that should be included in the roll out obligations. This is achieved by removing the blurred lines that surround non-domestic "designated sites" which previously would have been incorrectly categorised due to the uncertainty of its use i.e. staff home on a larger non-domestic site etc.

4. The Government would welcome views on this proposal

- *Incorporating a minimum (as stated in the letter) requirement for information provision in the definition of a Smart Metering System at designated premises in the roll-out licence conditions.*

Calvin supports the Government proposal's to incorporate a minimum requirement for information provision and the right of access to this information. The majority of Non-Domestic Customers will have commercial contracts in place to provide data information, where the service is not provided by the DCC, however amending the Suppliers licence condition to include a minimum information provision, regardless of how the service was delivered (DCC or Non-DCC) would provide clear guidance on what is acceptable on deployment of a smart meter and its associated services. .