



Smart Metering Implementation Programme - Regulation  
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Sent via email to: [smartmetering@decc.gsi.gov.uk](mailto:smartmetering@decc.gsi.gov.uk)

28 November 2013

Dear Sir or Madam,

**Re: Smart Metering Implementation Programme: A Consultation on New Smart Energy Code Content (Stage 2) (Ref URN 13D/273)**

I am writing to set out Haven Power's view on some of the points in the above consultation, and the proposed changes to the Smart Energy Code. Whilst we do not have the resource to provide a detailed view on some of the more technical specifications, we felt it important to engage and provide some general comments.

Haven Power Ltd (Haven) is an independent non-domestic electricity supplier that has been supplying Small Medium Enterprises since 2007. In 2009, we entered the Industrial & Commercial (I&C) sector and have been steadily growing our customer base in both areas.

We have limited resources and have confined our comments to those areas that we could easily identify that would affect our business. Our silence on other areas should not be interpreted in any way as agreement with or support for the relevant parts of the draft SEC.

**Drafting of the Smart Energy Code (SEC)**

The SEC will be used by a number of different departments, from technical and operational teams looking at the elements which need practical implementation; to those who ensure their company's compliance with their legal and financial obligations. Whilst these may be widely used technical terms there should be a full explanation of all of the acronyms including for example CREST and CESC stand for included in the SEC.

**Managing Demand**

In Section H3, clause 38 there is a provision to provide a forecast of the number of Service Requests a supplier will send in the succeeding six month period; these are due on the 15<sup>th</sup> of December, March, June and September. Providing an accurate forecast in September and March will be difficult for non-domestic suppliers as these forecasts will during the periods where the majority of contract rounds take place. Whilst this may not have a significant impact on the clauses that rely on these forecasts to set thresholds (H3.43, for example) we feel that they may need reviewing once the full extent of non-domestic supplies opted in, and the level of uncertainty that is introduced, is known. It is also worth noting that when plans on improving liquidity and switching come to fruition then the general level of certainty these forecasts can provide will inevitably decrease. In our view the DCC must be responsible for its capacity including forecasting. Whilst it is reasonable to ask parties for forecasts the DCC must not place undue reliance on these nor impose onerous demands on parties as to timescales and accuracy.

It is not clear from the consultation if the implementation of BSC Modification Proposal 272 (which will mandate that larger non domestic consumers are settled on actual half-hourly meter readings,) has

been considered when calculating an individual Service Users monthly allocation for Service Requests.

#### **Registration Data**

As we have seen from the initial estimation of our invoicing and credit cover responsibilities, profile class is simply not an indicator of whether a meter is non-domestic. To make such an over-simplified assumption would lead to considerable error.

If profile class is used to "identify" domestic meters a section of meters will be automatically enrolled in the DCC incorrectly, against customers' wishes. If this is supplied by an opted out non domestic supplier this will cause added complications that will be detrimental to all parties - especially the end consumer. This is not acceptable. The DCC should be liable for any action that it takes that wrongly affects parties and especially opted out suppliers.

We support the DCC working with industry to create a solution to flag non-domestic sites consistent with the supply licence (doing this via MPAS should be considered), and suggest that this work should begin as soon as possible. In the meantime we would suggest the alternative mechanism allowed for in the SEC is used, and Suppliers provide non-domestic electricity meter numbers to the DCC directly. For the avoidance of doubt we cannot support the application of profile classes 01 and 02 to define domestic use.

Whilst we understand that there needs to be some basis for these estimations and cash flow is critical, the provision of numbers without sufficient detail for us to validate them should be avoided in future, and some guidance on what constitutes "reasonable" under clauses J1.2 and J1.7 of the SEC may be necessary, especially since there is a "pay now dispute later" obligation attached to these charges. The DCC must be balanced in its use of its privileged position and not simply rely on this to the disadvantage of suppliers.

#### **Incident Management and the Self Service Interface**

We understand the focus on "Users" when designing an incident management policy, however if only Users who have completed the entry process will be able to view the log online this could cause problems if there is a wider issue that affects other industry participants (including opted out suppliers) (such an issue could for example involve the transfer of a customer of an opted in supplier to an opted out supplier and the opted out supplier would have a legitimate interest in this and other cases). Whilst opted out suppliers and other industry parties will be able to contact the service desk, we feel that there needs to be a requirement to communicate major incidents which may affect a wider group than just the users of the DCC, perhaps via an emailed circular or an incident notification posted on the website. This would help manage the volume of queries to the service desk at times when resources may be stretched. It is simply not reasonable for opted out parties to have to discover known issues second hand.

#### **Communications Hubs**

We do not feel it is appropriate to insert clause K3.13 before the consultation on determining the methodology for Communications Hub Charges has been issued. We do not agree with your comment that providing a three month buffer fund of unknown monetary value is of "limited practical implication" for small suppliers. Any proposal which ties up cash has significant implications and is an unwelcome pressure.



We agree that there needs to be a balance between simplicity and cross reflectivity for monthly communications hub charges; and that the DECC minded to treatment of allocating these charges based on a supplier's market share of enrolled meters strikes that balance.

Haven have been to several DECC events where the assumption appears to be that independent non-domestic suppliers have already made the decision on whether they will be opting in or opting out of using DCC services. From our engagement with other non-domestic suppliers it is clear that this is not the case, and many of us have felt unable to make that decision based on the information that has been available. Independent suppliers do not have the resource or expertise to participate in some of the in depth technical discussions, and the majority currently rely heavily on agents and their expertise to provide data collection and metering services; and we cannot stress enough how useful targeted update meetings and clear and concise explanations are; especially given the sheer breadth of regulatory reform that suppliers are attempting to keep abreast of.

Yours sincerely

Sent by email.

Email  
Direct Dial