

CMAP Response

To

**Smart Metering Implementation Programme:
Consultation on Second Version of the Smart
Metering Equipment Technical Specification**

Ref: 12D/258

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The CMAP Response

CMAP is pleased to provide this response to DECC's Consultation on the Smart Metering Technical Specification Version 2.

As you are aware MAP organisations, namely Calvin Asset Management, Lowri Beck, Macquarie, Northern PowerGrid, Capital Meters Limited, OnStream, Utility Funding Limited, EDF and Utility Partnership Limited have formed a working group collectively known as the 'Community of Meter Asset Providers' (CMAP).

It is evident that the issues experience by MAP's in the traditional market are only likely to be exacerbated as the industry moves into the smart metering foundation and mass rollout periods.

With this changing market environment, the significant increase in the role of commercial MAPs and the increase in the value of the SMART assets, it is felt as a MAP there are some key aspects of the Smart Meter programme that would influence the risk assessment for the provision of meters. The higher the risk allocation the higher the prices ultimately to consumers and we would welcome the opportunity to work with DECC to mitigate these risks, building on lessons learned from the provision of traditional assets and delivering lower costs to consumers.

CMAP would also welcome clarity on the timing and availability of SMETS 2 equipment including the Communications Unit, we feel that this information, and an up to date plan of SMIP delivery would be beneficial and would provide clarity in terms of transition to Mass Roll Out volumes and technology. We await with interest the consultations due out at the end of October 2012, that directly link to this consultation, these are consultations from the foundation groups such as Enrolment and Adoption and Smart CoS and the impact thereof.

Some of our members will have responded separately to this consultation. The response below highlights views held in common by our member companies. In cases where a common viewpoint has not been possible, we have not responded to these questions but left them to the individual companies to respond.

DIGEST OF CONSULTATION QUESTIONS:

3. Do you agree that equipment should be required to comply with SMETS and a GB Companion specification for ZigBee SEP / DLMS?

Answer 3:

CMAP support this view as a means of providing on-going clarity over the smart meter specifications. However, this should operate in line with the principle that smart metering equipment should meet the specifications in force at the time of installation, so should only apply to the mandated SMETS v2 rollout and not be backdated to Foundation equipment.

14. Do you agree with the Government's marginal preference for the CSP-led model for communications hub responsibilities, or do you prefer the supplier-led model? Please provide clear rationale for the advantages and risks associated with your preferred option.

Answer 14:

CMAP strongly support the Government's preference for the CSP-led model for communication hub and believe that a firm decision must be given to the industry as soon as possible after this consultation.

We believe that the benefits of a CSP-led model for the funding component are that it eliminates change of supplier risk, enables simpler and more effective asset tracking and the DCC commercial framework can allow for greater certainty over recovery of investment. These three factors will likely lead to a lower overall cost to fund communication hubs than through a supplier-led model, where these risks are greater.

DECC identify an avoided risk to the supplier-led model around one organisation installing another's assets and complex recharging arrangements between energy suppliers and the DCC. CMAP members already manage and allocate these risks today for metering, where a third party installer will install a meter belonging to a MAP, together with the MAP managing the invoicing/payment arrangements for stock control and paying for completed meter installations. We believe that similar principles for stock control and risk allocation can be applied to communication hubs under a CSP-led model.

16. Do you agree that the gaining supplier should bear the costs of installing an appropriate communications hub if they decide to switch between opted in and opted out?

Answer 16:

CMAP agree with this approach subject to the link with the DCC commercial framework. If a CSP hub is removed at the point of opt out we would expect an early removal charge to be levied on the removing supplier to cover any stranding costs.

32. Do you agree with the proposal to establish independent assurance procedures for DCC and DCC users? Please explain your views and provide evidence, including cost estimates where applicable, to support your position. Comments would also be welcome in relation to the impacts and benefits of the proposed approach with regard to small suppliers.

Answer 32:

CMAP supports the appointment of independent CESC test houses to provide this quality assurance.

34. Do you agree with the proposal to establish an independent security certification scheme for smart metering equipment? Do you have any views on the proposed approach to establishing a certification scheme or evidence of the costs or timelines for setting up such a scheme or submitting products for certification?

Answer 34:

CMAP would support an independent security certification scheme.

37. Do you agree that interoperability is central to the development of a successful smart metering solution and that activities related to the assurance of SMETS equipment should be governed by SEC? Please provide views on the governance arrangements that would be appropriate for assuring interoperability of smart metering equipment.

Answer 37:

CMAP fully and wholeheartedly support the concept of interoperability and is essential to the operation of a workable Smart system. We believe that the use of independent test houses to assess manufacturer's products against required specifications will provide the confidence that products meet those requirements. The SEC is the appropriate body for overseeing and monitoring this process.

38. Do you agree with the creation of an 'approved products' list and the requirement on suppliers and CSPs to obtain, retain and provide evidence of appropriate certification should apply regardless of whether they intend to enrol the equipment in DCC?

Answer 38:

CMAP supports this concept. The only exception will be for communication hubs at non-domestic sites which are opted out of the DCC.

44. Do you agree with the Government's proposals for the timing of the introduction of operational requirements? Please explain your reasoning.

Answer 44:

CMAP support this approach in that DCC should be capable of providing these operational requirements for enrolled smart systems and to appropriately authorised parties.

45. Do you agree with the proposed changes to the smart metering regulatory framework to reflect the CSP-led model for communications hub responsibilities? Are any other changes necessary?

Answer 45:

CMAP fully support the proposed changes

46. Do you agree that the equipment development and availability timelines are realistic? Please give evidence.

Answer 46:

CMAP can provide no technical opinion but commercially it is essential that all parts of the SMETS 2 and CHTS are delivered and available together prior to mass roll out in Q4 2014, if this is not the case then a clear and updated timeline should be circulated as soon as possible so that any risks from a prolonged foundation period can be assessed from a funding viewpoint.

47. Do you agree that SMETS 2 should only be designated when the Government has confidence that equipment to satisfy the new requirements is available at scale? Should a further period of notice be applied to ensure suppliers can manage their transition from SMETS 1 to SMETS 2 meters?

Answer 47:

CMAP agrees that SMETS 2 should be designated when equipment becomes available in scale and fully tested and accredited. We also believe that a period of notice for the transition from SMETS 1 to SMETS 2 would be required to allow management of stock, any firmware upgrades to stock, systems and other changes that need to occur to install the latest variant of SMETS equipment.

48. What are your views on when responsibility for the SMETS modifications process should transfer from the Government to the SEC?

Answer 48:

CMAP agree with the stated proposals.

49. Which of the options (standing sub-committee or non-standing sub-committee) would you prefer in relation to modifications to the SMETS?

Answer 49:

A Standing committee with seats and voting rights by appropriate trade bodies, such as CMAP, and other relevant representatives and experts is the most appropriate method for considering changes to SMETS.

50. Are there any particular areas of expertise that the sub-committee will need to fulfil its role, in terms of membership composition?

Answer 50:

A membership which includes the asset owners would be preferable as this would ensure that funding risks are taken account of when changes to SMETS are being considered.