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Smart Metering Implementation Programme
Department of Energy & Climate Change
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By email only to smartmetering@decc.gsi.gov.uk

8 October 2012

Dear Sir/Madam

Smart Metering Implementation Programme: Consultation on the second version of the Smart Metering Equipment Technical Specifications (URN 12D/258)

Thank you for the opportunity to respond to the above consultation. This response should be regarded as a consolidated response on behalf of UK Power Networks' four electricity distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, South Eastern Power Networks plc, and UK Power Networks (IDNO) Limited. I can confirm that this response is non-confidential and can be published via the DECC website.

Having reviewed the consultation we have focused our answers on those areas that impact us as a distribution network operator (DNO), and specifically in respect of those questions, our answers outline the need to ensure that DNOs are considered in the decision making.

If you have any questions about our response, please do not hesitate to contact on
in the first instance.

Yours faithfully

Appendix

Please note that we have only provided answers to selected questions where the subject matter is relevant.

1. Do you have any comments on the criteria used in the evaluation of the application layer standards?
Not applicable.
2. Do you agree with the proposal to adopt ZigBee SEP / DLMS as the HAN application layer standards for GB?
Not applicable.
3. Do you agree that equipment should be required to comply with SMETS and a GB Companion specification for ZigBee SEP / DLMS?
Not applicable.
4. Do you agree with the overall approach proposed in relation to the HAN physical layer? If not, please provide a rationale and evidence for your position.
Not applicable.
5. Do you have any comments on the criteria used in the evaluation of the physical layer of the HAN?
Not applicable.
6. What are your views on the compatibility of the reserved spectrum 870-876MHz with 868 MHz and the value of considering the use of this band?
Not applicable.
7. Do you consider that additional measures should be taken to encourage the development of an 868 MHz solution?
Not applicable.
8. Do you agree with the approach to allow the market to determine the balance between 2.4 GHz and 868 MHz? If not, please provide rationale and evidence.

- 9. What are your views on the costs and benefits of the three options identified for deploying wireless solutions (i.e. 2.4 GHz as the default; dual-band communications hubs; or market led)?**

Whilst acknowledging both the (one-off) cost saving (£2.50 per meter est.) of not mandating a dual-band communication, and the proposed requirement on suppliers to provide a 'fit for purpose' installation, we are concerned that this approach will lead to difficulties in producing a definitive specification of 'fit for purpose'. This might then lead to different interpretations between suppliers.

Notwithstanding the additional cost, Option 2 (mandated dual band) remains attractive for the reasons stated in the consultation: in particular, the maximisation of interoperability between smart metering equipment; facilitating simplicity for consumers; and facilitating a smart appliance market. We believe the latter is particularly important in the context of GB energy policy and The Carbon Plan as smart appliances are the key to consumers accessing the full benefit of future time-of-use tariffs in order to maintain the affordability of future electricity bills. Furthermore, if consumers are unable to make full use of time-of-use tariffs by utilising smart appliances, the energy cost implications are likely to far exceed the estimated £2.50 one-off saving.

- 10. Do you agree with the proposal for a 'fit for purpose' installation obligation on suppliers?**

Not applicable.

- 11. Do you have any views on the proposed approach to developing a wired HAN solution?**

We agree that developing a wired HAN solution is essential. Typical of properties that will require a wired HAN solution are high-rise residential buildings (flats) – particularly those with communal meter positions.

Generally (though not exclusively) such flats tend to be occupied by consumers in the lower socio-economic groups and it is essential that such consumers are not disadvantaged in terms of being able to enjoy the full benefits of a fully functional smart metering solution, including prepayment facilities.

- 12. Do you agree with the proposed scope of functional requirements for a communications hub? Are there any other functions that should be included and what would be your rationale for including those functions (including estimated costs and benefits)?**

Not applicable.

- 13. Do you have views on the specification for an 'intimate' interface between electricity meters and communications hubs?**

Not applicable.

- 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.**

We agree that the CSP-led model is the more appropriate of the two options. This removes any possibility of any ambiguity relating to the obligation on CSPs to provide a 'fit for purpose' end-to-end two-way communications system.

- 15. Do you agree with the proposal that a CHTS-compliant communications hub should not be mandated for opted out non-domestic sites and that suppliers should be free to use whatever type of communications equipment best supports their processes and WAN service?**

We believe there are benefits in encouraging (though not mandating) opted-in arrangements for non-domestic sites. These include maintaining the benefits of interoperability for non-domestic consumers and making information from such sites available to DNOs for network and power outage management.

We therefore believe it is important not to create unnecessary or unintended barriers to initially opted-out sites subsequently becoming opted-in and support the arguments for a mandated CHTS-compliant communications hub for opted-out sites.

- 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?**

Yes, we agree that the gaining supplier should bear the costs, but the issue does not arise if our proposal under question 15 (above) is adopted.

- 17. Do you agree that the design and implementation of outage reporting functionality should be assigned to CSPs, documented in the communications hub technical specification?**

We agree that power outage reporting is a significant benefit for consumers arising from the roll-out of smart meters.

The costs of providing the functionality within the smart meter to trigger an outage alert are dependent on the communications technology adopted. Some technologies (notably GPRS) would require a battery to provide the 'last gasp' capability whereas others (such as long range radio) would require only a supercapacitor.

We have no objection to (and can see some advantages in) the responsibility for power outage reporting resting with the CSP, but it will be essential to ensure that the obligation is precisely defined in terms of the quality and speed (latency) of information provided.

The benefits arising from outage reporting are dependent on each individual smart metering installation (and hence postal address) being identifiable. This applies both to the functionality for the smart metering system to trigger an alert more or less immediately (within, say, 30 seconds) following an outage of greater than three minutes, and also to the facility for DNOs to poll individual smart meter installations in order to check energisation status.

Proposed solutions that provide a less granular (or markedly slower) system of communication would undermine the benefits to consumers of outage reporting.

18. Do you agree that it would be inappropriate to require meters operated outside DCC to be required to implement outage reporting? Please provide rationale to support your views

We acknowledge that requiring meters operated outside DCC to implement outage reporting could lead to complex communications arrangements. It should however be understood (and explained to consumers who are offered opted-out solutions) that they will not benefit from the power outage functionality. This might be a concern to business customers who, by their nature, might particularly benefit from an outage occurring outside normal business hours being visible to the network operator.

Referring to our answer to question 15 above, we therefore believe that no unnecessary or unintended barriers to opting-in arrangements should be permitted and that opted-in arrangements should be encouraged.

19. Do you agree that maximum demand registers should be included in SMETS? Please provide evidence to support your position and provide evidence on the cost implications of delivering this functionality via back office systems or via the meter.

Maximum demand registers provide the facility for network operators to gain an 'early warning' of emerging load growth and hence potential network problems. This is likely to become particularly important as increasing levels of electric vehicles and electric heating displace conventional fossil-fuelled transport and heating systems.

Whilst such information can be derived through aggregated half-hourly consumption data, the ability to record maximum demands for selected groups of consumers or sections of the network (i.e. where relatively high network loading is suspected) over a configurable period would impose a much reduced requirement on communications systems in terms of data traffic volumes and data processing.

It is important however to understand that this additional functionality does not displace the requirement for half-hourly data. The approach would typically be that once a potential issue had been identified as a result of analysis of maximum demand readings, the network operator would then initiate measurements and aggregation of half-hourly data to allow a more accurate assessment of network loadings and voltage levels.

The ENA has undertaken a cost-benefit analysis showing the relative costs and benefits of including and not including maximum demand registers; the analysis demonstrates a positive case for including DNO configurable maximum demand registers.

With due regard to security-critical data flows, as identified through the recent CESG security review undertaken on behalf of DECC, the availability of maximum demand registers would significantly reduce the volume of data flows associated with half-hourly consumption and hence have the desired effect of reducing 'rogue message' risk.

20. Do you agree with the proposal not to include the capability to generate additional voltage alerts based on counter thresholds in SMETS 2? Do you have any evidence that could justify including this functionality in SMETS 2?

The ENA has been engaged in close discussion with DECC over the merits of refined functionality such that voltage alerts would be transmitted only after a given configurable threshold (i.e. in terms of number of alerts over a given period of time) had been exceeded.

This functionality would avoid the generation of spurious alerts and the need for network operators' systems to be able to differentiate between occasional (or even one-off) and repetitive/frequently occurring voltage issues. Such differentiation is important in order for the network operator to determine whether, and how urgently, the matter should be investigated and corrective action taken.

However, the ENA's discussions with meter manufacturers have to date been inconclusive in terms of the potential costs and production delays that might be incurred by including the requested 'counting' functionality within the meter itself. It is acknowledged that the counting functionality might be facilitated by means other than by the meter itself (e.g. by the metering system head-end) and we therefore agree with the decision not to include this capability in SMETS 2, with the proviso that the programme should continue to seek to provide the required functionality within the overall smart metering system.

21. If DNOs were permitted to access remote disablement functions, should control logic be built into DCC systems or meters? If the logic should be built into meters, should the logic be specified in SMETS 2? Please provide rationale to support your position including estimates of the cost of delivering this functionality under the different options being considered and any evidence relating to safety issues associated with each option.

The consultation correctly acknowledges that circumstances could arise in future whereby DNOs might need access to disablement functions as part of their efficient, coordinated and economic management of their electricity distribution systems. A scenario (not cited in the consultation) which the ENA has put forward is that with increasing levels of electric vehicles, heat pumps and micro-generation connecting to low voltage distribution networks, there will be a need in future to more intelligently manage supply restoration following either a planned or network fault outage.

This need is expected to arise partly due to the loss of diversity following a prolonged (i.e. an hour or more duration) supply failure, meaning that (depending on the time of day and year) heat pumps, electric vehicles, immersion heaters and other 'conventional' appliances might all begin to consume electricity simultaneously at the moment supply is restored, and continue to do so until normal 'cycling' (e.g. thermostatically controlled heating and refrigeration etc.) is resumed. Such coincidental usage of electricity could give rise to network overloading. This 'cold load pick-up' phenomenon is well known, but the effect will be much more pronounced once the above-mentioned low carbon technologies become established.

With regard to the recent CESG security review undertaken on behalf of DECC and the identification of security-critical data flows: in the unfortunate event of a rogue message giving rise to widespread de-energisation of supplies, the remote disablement functionality could be of particular importance in facilitating the required staged restoration of supplies.

A further contributory factor to cold load pick-up is micro-generation. During supply outages, micro-generation, which is normally offsetting demand supplied by the network, will necessarily cease to operate. It follows that on supply restoration following an outage, this additional (so-called) 'latent demand' will be presented to the network exacerbating the cold load pick-up impact until such time that the micro-generating reconnects and begins again to offset network demand.

It is therefore envisaged that DNOs might at some stage in the future use the disablement function in order to manage a staged restoration of supplies – i.e. allowing diversity of demand to re-establish and micro-generation to reconnect before subsequent stages of restoration are initiated. In practice, supplies would need to be restored in order to power up the communications module and hence allow the disablement function to be initiated, but, due to the inherent thermal inertia of electricity network assets, provided disablement is initiated immediately following restoration, the cold load pick-up phenomenon would be sufficiently mitigated. The alternative to this is that DNOs might need to invest in increased network capacity purely to deal with cold load pick-up, which would clearly be undesirable.

We agree that logic would need to be incorporated into the overall smart metering system in order to ensure that disablement/enabling actions initiated by suppliers and DNOs would not be in conflict. We acknowledge the argument that there might be economic merit in incorporating this logic within the DCC system rather than at each meter, but we are aware that there is as yet no available information as to how the DCC system might provide this logic. A concern therefore arises in that if the functionality is not included in SMETS 2, and difficulties then arise in incorporating the necessary logic with the DCC system, the opportunity might be lost.

A pragmatic way forward might therefore be to not include the logic in SMETS 2 with the reasonable expectation that the DCC system approach might prove more economic, but with the caveat that should it subsequently prove impractical to incorporate the logic within the DCC system, a revision to SMETS 2 (i.e. SMETS 3) would then be drafted with the expectation that any smart meter installed from that point in time would incorporate the required logic. Whilst this results in SMETS 2 (and earlier) meters being unable to provide the functionality, it would be reasonable to assume that the population of SMETS 2 and earlier meters already rolled out would be relatively small compared with the overall population of smart meters. Hence, notwithstanding that there might be clusters of SMETS 2 and earlier meters in some locations, in the general case there should ultimately be sufficient numbers of SMETS 3 (or later) meters able to provide a disablement function for DNOs.

- 22. Do you agree that variant smart electricity meters should be specified in SMETS 2 and that the cost uplift for variant smart meters is similar to that for variant traditional meters? Please provide evidence of costs to support your views on cost uplifts.**

The consultation adequately summarises why it will be essential to ensure that the smart meter portfolio is able to broadly mirror the non-smart meter variants currently in commission. We envisage the cost uplift to be no greater (and possibly less in some cases) than that applicable to non-smart meter variants.

- 23. Do you agree that randomisation offset capability should be included for auxiliary load control switches and registers as described above? Do you have views on the proposed range of the randomisation offset (i.e. 0 – 1799 seconds)? Please provide evidence on the cost of introducing this functionality.**

Both for the reasons stated in the consultation and for similar reasons to those cited in our response to question 21 (above), it will be essential to ensure that randomisation offset capability is included in auxiliary load control switches. As with smart meter variants, we would not expect the cost uplift to be any greater (and again, possibly less) than that applicable to conventional metering equipment and auxiliary load switches. Failure to incorporate this functionality could lead to serious step-changes in both system voltage and frequency and hence lead to destabilisation of the national system.

Clearly it will be important to ensure that switching between registers is synchronised with switching of load switches in order that consumers are charged the appropriate tariff rate for electricity consumed by controlled appliances (such as space and water heating, but also electric vehicle charging circuits in future).

The degree of offset needs to be sufficient to avoid unacceptable step voltage and frequency changes, but at the same time not so excessive as to distort the optimised timing of use of electricity. In that context, a 30 minute bandwidth would seem to satisfy both requirements (i.e. +/- 15 minutes either side of a nominal switching time). However, we would caution against reducing this bandwidth to any lower value than 30 minutes as this might prove insufficient to ensure an adequate degree of randomisation, especially given that new types of demand (such as electric vehicle charging) will impose a need for greater levels of assurance of offsetting than is the case currently.

- 24. Do you support Option 1 or Option 2 for 'pairing' a CAD to the HAN? Please present the rationale for your choice and your views on the implications that these options have for the technical design of the solution.**

Not applicable.

- 25. If Option 2 were adopted, do you agree that obligations should be placed on energy suppliers to support this process by submitting 'pairing requests' to the DCC on request from their consumers?**

Not applicable.

- 26. Do you consider that other CAD installation options should be pursued? If yes, please explain the approach you favour and your reasons.**

Not applicable.

- 27. Do you agree with the proposal to include in SMETS 2 a specification for a PPMID, connected via the HAN, as described above?**

Not applicable.

- 28. Would including the capability to enable gas and electricity supply through a PPMID connected via (a) a wireless HAN or (b) a wired HAN meet GB safety requirements? What impact would including this capability have on the cost of smart metering equipment? Please provide evidence to support your answers.**

Not applicable.

- 29. Do you agree with the proposal that the communications hub should be specified such that it can support multiple smart electricity meters? How many smart electricity meters should be supported by each communications hub?**

We strongly support the proposal. Given DECC's latest projections for micro-generation – in particular, solar PV – it will become increasingly important to measure (rather than estimate) the electrical energy generated by each micro-generator. Whilst this will be important to ensure that consumers are properly remunerated under the FIT, our main concern as a network operator is that we are able to monitor the development of 'latent' demand which micro-generation will give rise to.

Latent demand is the additional demand that would be presented to the network should the micro-generator cease to operate or disconnect. In the absence of micro-generator metering it will not be apparent to network operators how much latent demand exists. Cessation of generation will occur under any network fault scenario which gives rise to a loss of infeed to a network with micro-generation connected, or in the event of an upstream event (including any major loss of transmission or transmission connected generation) which gives rise to either a significant voltage reduction or drop in frequency.

Should latent demand grow to the extent that demand presented to the network on restoration of supplies following a network or upstream event were to exceed network capacity, then network operators could face significant difficulties in terms of being able to sustain supply restorations. Such a scenario could lead to extensive delays in securing supply restorations to consumers.

Whilst the consultation advocates this being an elective service, given the importance of this information to network operators in terms of their statutory obligation to develop, maintain and operate efficient, coordinated and economical systems for the distribution of electricity, we suggest that the service (to network operators) could be legitimately regarded as core.

- 30. Do you agree that a specification for a HHT interface to the HAN should be defined? If yes, please identify the functions that this interface would need to support and the scenarios in which such functionality could be required.**

Not applicable.

- 31. Do you agree with the proposed approach to the governance of security requirements? If you propose alternative arrangements please provide evidence to support your views.**

We support the proposal for a technical subcommittee reporting to the SEC Panel. Given the importance both from a data privacy and system security perspective, it is imperative that security experts are commissioned to oversee the governance of the smart metering system from a security perspective.

Network operators in particular will need to be assured that any security threat (including any potential cyber security threat) that could conceivably impact their ability to meet their statutory obligation to develop, maintain and operate efficient, coordinated and economical systems for the distribution of electricity, is adequately mitigated by appropriate attention to the design and operation of the smart metering system.

- 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.**

Whilst the difference between a risk-based and role-based approach seems to us to be a little obscure (since either approach will necessarily involve risk assessments), we agree that independent assurance procedures are necessary. Whilst we see merits in risk assessments being tailored towards the role codes of DCC users, it will be important to ensure that any potential conflict (or interdependence) between DCC users' requirements are identified and addressed holistically.

- 33. Do you agree with the proposal that re-testing should occur at least at set intervals and more frequently when significant changes to systems or security requirements are introduced? Please explain your views.**

We agree that any significant changes to systems or security requirements should be subject to a thorough prior evaluation of risk. However, we are less convinced by the need for interval testing in the longer term; such regimes are now widely regarded as inferior to risk or duty-based testing regimes. Unless a significant system or change or new security requirement is to be introduced there would seem little reason not to believe that any interval test would simply replicate the findings of any earlier test. However, until confidence is established, we agree that a pragmatic approach might be to include an element of interval testing in the shorter term, but with the proviso that the intervals (and the need for on-going interval testing) should be kept under review in light of experience.

- 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?**

We agree that there is a need to establish an independent certification scheme for smart metering equipment. It will be important that all stakeholders (including all DCC users) have a legitimate input to determining the certification criteria. Network operators in particular will need to be assured that security certification criteria are adequate in terms of maintaining appropriate levels of cyber security.

- 35. Do you agree that sanctions for non-compliance with security requirements should be included in the SEC? Do you have views on the nature of the sanctions that might be imposed?**

We would regard sanctions for breaches of security requirements being a necessary provision within the SEC. Such sanctions should be commensurate with the degree of non-compliance and the potential impact on other DCC users and the overall integrity of the smart metering system. There should also be provision for escalation of sanctions in the event of repeated non-compliances or in cases where negligence is apparent.

- 36. Do you agree with the proposal to, in effect, extend the arrangements already proposed for SMETS installations prior to DCC operation, to all installations being operated outside DCC? Please provide evidence of the costs that might be incurred and the impact of this approach on small suppliers.**

We agree that there should be broadly equivalent security requirements for metering systems operated outside DCC but appropriate to the level of risk imposed on other parties (including consumers) from an independent (from DCC) smart metering system.

Network operators in particular would need to be assured of adequate provisions for security in considering any opportunities for interfacing with non-DCC systems in order to provide information relevant to their networks (e.g. data relating to voltage, power outage, maximum demand or consumption).

- 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.**

We believe that both technical and commercial interoperability are critical to the success of the smart metering solution and that SEC (and the aforementioned technical subcommittee) should assume responsibility for governance arrangements for assurance of interoperability.

The remit for assurance should include all aspects of interoperability, including compatible functionality, protocols, communications systems and interfaces, and even extending to physical dimensions of metering equipment. Put simply, smart meters should be entirely interchangeable, and there should be no technical or systemic obstacle to a seamless COS procedure.

- 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?**

Whilst it will be essential to interoperability for products to be fully compliant with defined standards and subject to certification, we foresee difficulties in maintaining an approved products listing. The obligation to maintain such a listing could be prohibitive in terms of the governance required and given the continual product development that might be anticipated. Moreover, there is a danger that such a listing might preclude products which are fully compatible and capable of offering superior quality and/or value for money. We see neither a precedent nor a requirement for such an approach; instead it should be sufficient for the products to be certified as compatible with the required standards.

- 39. Do you agree that protocol certification (against a GB Companion Specification) should provide adequate assurance that a product will meet interoperability requirements? Please explain your views and identify any additional assurance testing that you consider to be necessary and the rationale for including such testing.**

Protocol certification would certainly be an essential aspect of interoperability assurance. However, as we state in our response to question 37 (above), there are other important considerations that would need to be covered.

- 40. Do you agree with the Government's proposals to require energy suppliers to operate specific aspects of smart metering equipment functionality for domestic consumers? Please provide rationale to support your position.**

If the full benefits of the smart metering programme are to be realised, and if the wider objective of ensuring a secure, environmentally sustainable and affordable energy policy is to be realised, then it is essential that domestic consumers have the means to leverage the full potential of the smart metering system to help them manage their energy usage. This includes, inter alia, being able to take full advantage of more flexible tariffs and potential 'demand-side' service offerings and commercial opportunities (e.g. remuneration for provision of ancillary services through demand response).

Whilst it is acknowledged that, initially, relatively few domestic consumers might feel sufficiently knowledgeable or confident to take full advantage of such opportunities (and indeed it will take time for market players to develop appropriate products and service offerings), we would certainly see significant developments occurring during the lifetime of the smart metering equipment and indeed even during the roll-out programme.

- 41. What are your views on the Government's proposals to require energy suppliers to operate specific aspects of smart meter equipment functionality for microbusiness, but not other non-domestic, customers?**

Whilst larger businesses might be better placed to use their discretion in considering options for interaction with smart metering information, we suggest that the needs of micro-businesses are generally comparable with those of domestic consumers. We therefore support the Government's proposals.

- 42. Do you agree that the licence conditions as drafted effectively underpin the Government's policy intentions for consumer operational requirements?**

Not applicable.

- 43. What are your views on the Government's proposals for obligations to be included in the SEC for information to be made available to Network Operators and ESCOs via the DCC?**

Such an obligation is an essential prerequisite to the successful deployment by network operators of smart metering system functionality to support them in fulfilling their statutory obligations (see our responses to questions 29 and 31 above). Since network operators regard the services which SMETS defined functionality gives rise to as 'core' services, it follows that an obligation on suppliers to make available the information is essential.

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

We agree that the proposed timing (in particular, the requirement for non-DCC enrolled domestic smart metering systems to meet the information obligation by the end of 2019) is sensible

- 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?**

The proposed changes appear appropriate and pragmatic, given the proposed timing of licence and contract awards and the envisaged availability of communications hubs and SMETS 2 compliant meters.

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

Not applicable.

- 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?**

In determining the proposed transition period it will be important to strive to achieve an optimum balance between, on the one hand, ideally ensuring that only SMETS 2 (in preference to SMETS 1) compliant meters are installed as soon as they become available and, on the other hand, not creating either a risk of a potential deceleration of the programme while suppliers scale down their procurement of SMETS 1 compliant meters (in anticipation of SMETS 2 meters becoming imminently available) or, alternatively, a risk that suppliers will incur a stranded asset risk in respect of stock-piled SMETS 1 meters.

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

We agree that the proposal to transfer responsibility from Government to the SEC (at the appropriate time) is consistent with how the industry generally ensures governance. The ability of such arrangements to provide adequate governance is proven and the proposed transfer should not therefore give rise to concerns; indeed it should increase confidence.

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

We support a transition from Option 1 (which would seem initially more appropriate given the likely initial demands on the subcommittee) to Option 2 once the industry has gained sufficient confidence in the robustness of SMETS 2 and the communications hub solutions, and in terms of smart meter system interoperability.

We see no reason for SEC not to be responsible for determining when and how the transition should take place.

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

The subcommittee membership will need to be carefully specified and selected in order to ensure the requisite breadth and depth of expertise commensurate with providing assurance of security and interoperability.

Expertise in data privacy, cyber security and systems integration will be essential, as will representation by DCC users, who will be reliant on services to fulfil their regulatory and/or statutory duties.

From our perspective, it will be essential that network operators are adequately represented in order to ensure that the wider requirements of network management and smart grid development are properly considered.