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### **Consultation on transitional arrangements in the Smart Energy Code**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy recognises the need for transitional arrangements to be established to support DCC Users in the period until the enduring arrangement can be established. While the adoption of interim processes risk increasing the overall cost of delivery, we believe the arrangements proposed within the consultation are reasonable, and enable SEC Parties to meet their obligations whilst enabling the DCC to progress with the delivery of their processes and systems.

In order for the Communications Hub ordering process to progress EDF Energy recognises the need to implement an interim forecasting arrangement. This requires SEC Parties, when ordering Communications Hubs, to submit a completed forecast template for each CSP region to the DCC in line with the requirements of SEC 4. However, we continue to be concerned with the forecasting tolerances being imposed on SEC Parties, particularly in regard to communications hub variants, whilst interim arrangements are in place. If when placing an order we are to be held to the same tolerances as will be in place for the enduring arrangements then the supporting information should also be available. As such, we believe that the full functionality of the post code checker should be available to support these interim arrangements. Without this information we will have to make assumptions based on the information that the DCC has made available. If this information proves to be inaccurate or incorrect, then the tolerances for WAN variants should also be relaxed.

EDF Energy welcomes the establishment of transitional service management arrangements to support the DCC services in operation in this period. However, we are concerned with the detail of these proposals and their alignment with the enduring arrangements. We would welcome further clarity on the services that are covered by the Interim Service Desk, especially as they relate to any testing activity that may occur in this period.

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With regard to proposals to allow the Secretary of State to re-designate SEC subsidiary documents, EDF Energy recognises the need to be able to make such changes on an expedient basis. However, we believe that this process still needs to have the full engagement of key stakeholders to ensure that the changes deliver the right outcomes for customers. As such, we welcome the requirement for the Secretary of State to consult with all impacted parties prior to re-designating any documents.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact:

I confirm that this letter and its attachment may be published on DECC's website.

Yours sincerely,

## Attachment

### Consultation on transitional arrangements in the Smart Energy Code

#### EDF Energy's response to your questions

**Q1. Do you agree with the proposed transitional measures to support Communications Hubs forecasting for an interim period? In particular:**

- Do you agree that the proposal to submit forecasts via email for an interim period (until June 2015) is acceptable?
- Do you agree that the DCC should provide certain WAN information via spreadsheet (CSV format) in advance of the full WAN information being available in June 2015?

**If you do not agree, please explain your rationale.**

EDF Energy believes that it would be preferable to avoid implementing interim processes wherever possible as these often lead to increased costs. However, in the absence of the Communication Hub Ordering System, we recognise the need for an interim process that enables forecasts to be generated and submitted; although we do have some specific concerns with the proposal.

We agree that the DCC should provide WAN information in a CSV format in advance of the full WAN information being available. However, we do not believe that the level of detail being provided is sufficient to meet our SEC obligations. Section F5.4 of the SEC 4 drafting requires that the first ten months of each forecast will specify the volumes of each communications hub device model that is forecast to be required, and section F5.9 requires that the actual number of communications hubs ordered is within a tolerance of the forecasts made ten months and seven months in advance of the delivery month.

The specification of the interim process does not make it clear how EDF Energy will be able to forecast the communications hub device models it will require. The consultation states that the CSV file will not contain information about requirements to use a particular WAN variant; however, this information is required in order to be able to forecast at a device model level. It is also not clear when the data required to be able to forecast at this granular level will be made available, and how this might impact the tolerances that are applied by the DCC when the actual orders are submitted. We believe that clarification is required in this area, and that further changes above those detailed in the consultation may be required to the SEC to enable this interim process to be progressed.

EDF Energy agrees that sending forecasts via e-mail using a standard template provided by the DCC is acceptable. We also agree that the DCC will need to undertake some verification to ensure that the e-mails it receives are being sent by an authorised person, and we would welcome further information on how this verification will be undertaken. We believe that the proposed template to be used should be made available to SEC

Parties at the earliest possible opportunity, and that guidance for completing that template should also be published. Contact points for queries regarding completion of the template and the forecasting process should also be made available.

**Q2. Do you agree with the proposed transitional measures to support transitional service management for those services that the DCC will be offering prior to the commencement of its full service management arrangements?**

**If you do not agree, please explain your rationale.**

EDF Energy agrees that there is a need to implement transitional measures in the period before the DCC commences its full service management arrangements. We recognise that these measures are broadly in line with the enduring Incident Management Policy; however, we do have some concerns with specific aspects of the proposed transitional arrangements.

The scope of the services that these transitional arrangements apply to, and the duration that they will be in effect for, needs to be more clearly defined. In particular, it is not clear whether any incidents relating to testing will be managed via these transitional arrangements. For example, the consultation document references the provision of connections to the DCC Gateway. It is not clear if this refers to the process by which connections to the DCC are ordered and established in line with the Codes of Connection, or whether this refers to the actual use of those connections, for example during testing. This scope needs to be clarified to ensure that incidents are raised appropriately via the correct mechanism.

We are concerned that the proposal is for the DCC to notify those parties affected by an incident of its resolution within 3 working days. It is not clear why such a timescale would be necessary for this notification, and we are concerned about the impact that such a delay might have in relation to time critical activities such as testing. We believe that this notification should be sent within 1 working day of the status of an incident being resolved and that the legal text needs to be updated to reflect this.

We are also concerned that the transitional provisions for Business Continuity and Disaster Recovery only refer to the Interim Service Desk. Such provisions also need to extend to the other DCC services that are referenced in the consultation document as being in scope of transitional Service Management arrangement. These include the provision of WAN coverage information or, more importantly, the provision of connections to the DCC Gateway to support testing.

We note that it is proposed that the DCC shall determine the prioritisation of incidents. While this principle is in line with the enduring Incident Management Policy, no information is provided on whether there are different levels of priority to which incidents are allocated and how these are defined based on the impact of the incident. There are also no target resolution times set out in regards to this prioritisation. We believe that clear guidelines need to be developed and published to ensure that prioritisation is carried

out on a consistent and transparent basis across all incidents, and that those parties that raise incidents have an expectation as to when that incident will be resolved by the DCC.

We also believe that this transitional Incident Management Process needs to be supported by some of the elements of the enduring Incident Management Policy. For example, we believe that the DCC should maintain a transitional Incident Management Log and use that log to manage the lifecycle of any incidents that are raised in the transitional period.

We recognise that the transitional process will not deliver the same functionality as the enduring Incident Management Policy. However, wherever possible it should align with the core principles of that policy and that it should only be the mechanism by which those are delivered that should be different.

**Q3 Do you agree that the DCC Licence and SEC should be modified so that updated versions of SEC subsidiary documents may be re-designated by the Secretary of State and incorporated into the SEC?**

**If you do not agree, please explain your rationale.**

EDF Energy recognises that there may be a need for SEC subsidiary documents to be changed at short notice for a period, and that re-designation of those documents by the Secretary of State is an appropriate method for achieving those short timescales.

It does, however, need to be ensured that this re-designation process is only used where required by the urgency of the change. Wherever possible, changes should follow the standard formal change processes in order to ensure that those changes have the appropriate level of oversight applied through formal consultation.

EDF Energy believes that any changes that are intended to be re-designated by the Secretary of State via this mechanism need to have had a proper level of input from key industry stakeholders, and should reflect a general agreement amongst those stakeholders to the proposed changes. We believe that it would be appropriate for the Secretary of State to seek views on any such changes from the SEC Panel in advance of any re-designation in order to provide this level of assurance and assent.

**EDF Energy  
October 2014**