

Smart Metering Implementation Programme
 Department of Energy & Climate Change
 Orchard 3, Lower Ground Floor
 1 Victoria Street
 London, SW1H 0ET

23rd May 2014

Dear SMIP team

Consultation – Smart Equipment Installation

Please find enclosed our response. We have also some general comments to make;

Drafting – the response provided here is based on existing documentation and our response is based on these. Should the documentation change, then it may be appropriate to advise you on any changes to our response.

SEC – we believe that this code is the most appropriate place to manage and govern the technical documents, that are the subject of this consultation and that underpin the new Smart Metering arrangements for GB.

Retrospective amendments – we have assumed that any retrospective amendments that have been detailed within SLC 53.12 refer only to designated versions of the documents and not to any older versions that applied previously and were therefore in effect for certain installations. As any retrospective amendment applied under these conditions will affect existing installations we would ask that some form of critical assessment is also undertaken to first satisfy a strict set of criteria that need to be defined. These should be designed to avoid any unnecessary cost and disruption to customers and the Programme and should be able to readily identify any disproportionate impacts on industry parties. Ideally we suggest that an impact assessment, covering aspects of both hardware and firmware, is undertaken with an appropriate cost-benefit analysis as a standard output. We believe that this should be a minimum requirement before any change is progressed through the SEC Change Control process, that has a retrospective element;

SMETS documentation– we understand that the intention is to separate all technical specification documents from the original Smart Metering Equipment Technical Specification, as indicated by the legal drafting at ESLC 53.3 and GSLC 47.4. We assume that this will ensure that ongoing maintenance of these documents can be undertaken independently. However, with this in mind we ask that consideration is given to ensuring that whenever changes are proposed to any 'SMETS' documentation that the full suite of documentation is assessed in order to ensure that any proposed change does not have any unforeseen detrimental effects overall;

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Multiple versions of SMETS – whilst we understand the pragmatic approach being adopted we urge that careful consideration is given as to how the versions of these technical documents are maintained and implemented in order to avoid any unnecessary confusion or any differences of opinion occurring between interested parties.

Yours sincerely,

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1. Do you agree with our proposed approach and legal drafting for meeting our policy intention of requiring energy suppliers to install DCC provided communications hubs with SMETS 2 meters at domestic premises, and requiring the DCC to provide energy suppliers with CHTS-compliant communications hubs?

Yes, generally

We are generally supportive of the legal drafting. However, we do have some addition comments for further consideration and clarification.

Whilst the approach to developing licence conditions that oblige the DCC and suppliers to ensure that smart metering systems and communication hubs are rolled out seems sensible, we do have some points that we wish to raise for further consideration.

We note that the proposed drafting of the definition of Communication Hubs in Licence Condition 1 is extended to include any DCC-provided aerial. We understand that such an aerial could consist of a 2-meter long coil and that these should be installed adjacent to the Communications Hub. We believe that consideration therefore needs to be given to:

- the potential consequence that customers may refuse to have a smart meter installed if this requires additional equipment of this nature;
- how this additional equipment requirement could further exacerbate the asset size issue that is currently under debate in the industry;
- the additional costs involved that could result in the installation becoming uneconomical; and
- the potentially adverse effect on roll-out for areas where the Arqiva network coverage is dependent upon this type of technology.

Whilst suppliers will be able to demonstrate that they have used all reasonable endeavours, any potentially failed/ aborted installs could lead to 'not spots' within the network coverage that will need to be identified and notified to all suppliers.

2. Do you agree with the proposed approach and legal drafting in relation to requirements to comply with the technical specifications for PPMIDs and HCalCS where such devices are installed?

Yes, generally

We understand and generally support the legal drafting provided at ESLC 52.1, 52.2 and GSLC 46.1. However, we have some additional points for further clarification.

We support the proposed new clauses ESLC 52.1 and 52.2 and GSLC 46.1 that have been drafted to ensure that where PPMID and HCalCS equipment has been installed that it complies with and continues to comply with, the relevant technical specifications.

However, if suppliers need to be able to perform remote upgrades in order to continue to comply with changes to PPMID or HCalCS technical specifications, then it should be noted that such a facility does not currently exist. Has any consideration been given to these requirements, the likely development needs, costs and time-scales?

3. Do you agree with the proposed approach and legal drafting to allow that more than one version of SMETS can be extant in the future?

Tentatively

We tentatively support the pragmatic approach of allowing multiple versions of SMETS to be extant. However, we would like to better understand how these will be managed in the future.

Whilst we understand the need to allow for multiple versions of SMETS to be present in the future, it is equally important to understand how these will be managed, communicated and applied in practice. For example, it is our understanding that any amendments, retrospective or otherwise, only apply to the designated version of the document. If this is not the case then we ask that this is made clear in DECC's response to this consultation.

Clauses covering.....

- Duties after installation (ESLC 52.3 and 52.4 and GSLC 46.2);
- Identification by Reference to Technical Specification (ESLC 53.9 and 53.10 and GSLC 47.9 and 47.10); and
- Maintenance in Accordance with Technical Specification (ESLC 53.11 and 53.12 and GSLC 47.11 and 47.12)

.....include a provision for dealing with retrospective amendments. We understand that it is envisaged that this scenario would be rare and that the provision is designed to cover urgently required upgrades in order to resolve security issues (paragraph 29). This we fully support. However, if this is the case then the licence conditions should be drafted specifically with this in mind. The current drafting is general and open-ended and as such could be used for a wide variety of reasons. This is unacceptable from a supplier perspective and will do little to establish a firm foundation on which to continue to install smart metering equipment as part of the Smart Metering Implementation Programme (SMIP).

We therefore ask that further consideration is given to retrospective amendments to ensure that appropriate timely and cost-effective solutions can be readily developed by parties to minimise the impact to the smart roll-out, the DECC IA for the Programme the Programme completion timescales and so customer confidence in smart metering of any security issues that may arise.

4. Do you agree with our proposed approach and legal drafting concerning the incorporation of the SMETS into the SEC?

Yes, we support the proposed approach.

Whilst this question seeks our views as to the Government's proposed approach to managing the Smart Meter Equipment Technical Specifications (SMETS) and refers to just SMETS, it should be made clear that the legal drafting is designed to and will include a range of technical specifications. These currently include, but may not be limited to CH, IHD, PPMID and HCLACS technical specifications. It is therefore with these in mind that we provide our response to this particular consultation question and ask that these technical documents are managed holistically. That is to say that we ask that the complete suite of documentation is reviewed when any proposed update or change is required, in order to ensure that there are no unforeseen detrimental impacts on the SMETS document set, as a whole.

In addition, we request clarification around the proposed drafting of ESLC 53.7 and GSLC 47.7 that makes provision for the Secretary of State to be able to make amendments to a designated document that has not yet been incorporated into the SEC. We would like to understand the scenarios that have been envisaged that would require this approach and to better understand the type and volume of amendments that such a provision could lead to. If the legal drafting at 53.7 and 47.7 is designed to manage an interim period as a developing document transitions from Government to Industry responsibility, then it may be helpful to clarify this point.