

Consultation on changes to equipment installation
requirements and the governance arrangements
for technical specifications
Response from Siemens

Statement of Interest and Executive Summary

Delivery of smart metering services to the Multiple Dwelling Unit (MDU) segment is of pivotal importance to the GB Smart Metering Implementation Programme.

The segment holds 21.5% of GB households within which there is a disproportionate representation of fuel poor and vulnerable customers; so effective smart metering service delivery is key to both realising the business case for smart metering and the execution of environmental as well as social policy.

Siemens are supportive of the need to ensure that SMETS compliant HAN solutions are implemented into 'difficult' buildings to ensure the full device interoperability that is undoubtedly needed to support future energy management services.

However, Siemens do not believe that specifying a SMETS compliant HAN alone will assist the rollout of smart metering devices into MDUs as there are underlying market structure issues that constrain this.

Siemens highlight further requirements for 'non-standard installations', given that the majority of the proposed legislative changes relate to the 'Consultation on Home Area Network (HAN) Installations'. We have asked that the same importance and consideration given to PPMIDs and HCALCS, is also given to 'non-standard installations' which the roll-out conditions do not currently cater for.

In addition, Siemens understands the implications of enabling more than one version of SMETS to be extant in the future for suppliers using shared infrastructure solutions. Siemens confirm that shared infrastructure solutions can be developed to support different versions of SMETS at any point in time, delivering an 'extended HAN solution' for SMETS compliant equipment.

Siemens supports the incorporation of the SMETS into the SEC and we would urge the early establishment of the SEC modification process to allow the early introduction of new technologies which would provide flexibility to suppliers to use whatever range-extending technologies are best suited to individual households and buildings.

Siemens believe that success for the MDU segment would achieve:

- Non-discriminatory access to smart metering services for all consumers regardless of where they live or which social segment they belong to.
- A level playing field where all energy retailers can compete equally within the same building.
- The lowest total cost of delivery
- Fully secure, interoperable products and services – specifically noting the importance of Smart Pay as You Go services for this market segment
- Clear service accountability (across change of supplier events)

Without such a market change, it is inevitable that the rollout of smart metering to MDUs is at best put to the back of the queue or at worst up to 2.37m households never receive the benefits of smart metering. Current smart metering rollout plans to 2020 cannot be robust without knowing how smart metering will be installed successfully for this significant part of GB households.

Questions and Answers

Questions in black and answers in blue.

Q1 - 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? Please provide a rationale for your views.

Siemens agree with the Government's position, and the proposed legal drafting to achieve the policy intention as set out in this Consultation. However, in our separate response to the "Consultation on Home Area Network (HAN) Installations", we have set out our rationale for a wider definition of a Smart Metering System to include any 'other relevant device' which through its HAN interfaces creates the HAN is of itself part of the Smart Metering System.

Siemens agree with the importance of SMETS2 compliance, which ensures device interoperability, and is critically important if the use of CADs and IHDs are going to take off. Moreover, it is hard to imagine energy suppliers wanting to manage a host of product variations to smart metering system components to accommodate different buildings or premise types.

SMETS 2 embodies essential performance standards e.g. bandwidth, latency, and data loss rates. With SMETS 2 (nearly) approved, utilising equipment that is already approved is the best way forwards for timely solutions to the rollout of smart metering. This means catering for solutions that take advantage of 2.4GHz extended HAN solutions, rather than delay solutions and therefore disadvantage consumers who otherwise would wait for 868MHz / sub-GHz protocol-based solutions.

We are unable to see the legislative changes that support the requirement (in paragraph 14 of the Consultation) that the SEC Panel maintains a list of the particular versions of each of Technical Specifications which are intended to be compatible. We assume this already sits as an obligation on the SEC Panel and that there is no specific legal drafting included with this Consultation in this regard, as the Consultation is concerned with Supplier Licence and DCC Licence Conditions, rather than the Smart Energy Code.

Q2. 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? Please provide a rationale for your views.

Siemens agrees with the proposed approach and legal drafting in relation to PPMIDs and HCALCS. The approach recognises that, for PPMIDs and HCALCS, the roll-out conditions are not currently inclusive of their requirements. We have asked for, in our separate

response to the "Consultation on Home Area Network (HAN) Installations", that the same importance and consideration is given to 'non-standard installations' and that an 'Extended HAN' technical specification is provided for in the same way. We understand that going forward the inclusion of SMETS in SEC means that SEC change management arrangements would support any new technical requirements or amendments to existing technical specification (please see our response to Q4 below).

Q3. 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? Please provide a rationale for your views.

Siemens fully supports the proposal to enable more than one version of SMETS to be extant in the future. We understand the implications of this requirement for suppliers using shared infrastructure solutions. Siemens is able to support multiple versions of SMETS at any point in time, through its MDU service, which delivers an extended HAN solution for SMETS compliant equipment.

This requirement may prove particularly challenging, and costly to maintain, for point to point solutions (as set out in the "Consultation on HAN Installations"), where there is a requirement for maintenance of existing devices, critically for security updates, which are being maintained in accordance with old versions of a Technical Specification.

Q4. Do you agree with our proposed approach and legal drafting concerning the incorporation of the SMETS into the SEC? Please provide a rationale for your views.

Siemens supports the incorporation of the SMETS into the SEC. We would urge the early establishment of the SEC modification process by SECAS, and request clarity around how the process operates in practice and the means of engagement by industry and interested third-parties.

It is of particular importance that third-parties who wish to bring innovative solutions to smart metering in GB are not prevented or sidelined due to an opaque or unsupportive modification apparatus, which may have been principally constructed around the requirements of incumbent or existing industry stakeholders. New entrants from the technology and communications sector must be actively encouraged and supported to bring solutions for smart metering and smart grid. This is particularly pertinent to the Government's intent, set out in the separate "Consultation on Home Area Network (HAN) Installations", to provide flexibility to suppliers to use whatever range-extending technologies are best suited to individual premises whilst supporting interoperability of in-home devices. The administration of the SEC modification process must not deter the introduction of new technologies which would provide such flexibility to suppliers.

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