

Smart Metering Implementation Programme
A Consultation on New Smart Energy Code Content (Stage
3)
Response from Siemens

Statement of Interest and Executive Summary

Siemens, through its Operational Services¹ business unit, is one of the largest independent providers of metering services to the electricity, gas and water industries in the UK. It serves all segments from domestic consumers through SMEs and commercial customers up to major energy users.

Through its Infrastructure & Cities sector Siemens provides smart grid, distribution, and connection solutions as well as building technologies from a residential up to an industrial scale. Siemens is active in these segments throughout Europe and much of the rest of the world.

As an established market participant Siemens is actively engaging with the UK smart market from an asset management, meter installation and data management perspective. The areas where we dedicate specific focus include smart metering solutions for multi-dwelling units (MDUs) and Pay As You Go.

In this Consultation on the New Smart Energy Code Content (Stage 3), the section most relevant to Siemens Operational Services, as a Meter Operator and Meter Asset Maintainer, is Section 4 Supplier Nominated Agents, p43, Questions Q18, Q19, Q20 which considers access to DCC Services by MOPs and MAMs.

Questions and Answers

Questions in black and answers in blue.

Q18 - Do you think that it is important that MOPs / MAMs are able to access DCC services directly? Please provide a rationale for your views.

Yes, Siemens believe that it is important that MOPs / MAMs are able to access DCC services directly.

We firmly believe that the smart meter roll-out for suppliers with low geographic densities will be delivered by MOPs/MAMs operating with MAPs serving more than one supplier, this will particularly apply to the smaller residential and SME suppliers. In this case we believe the scenarios set out in paragraph 197 (especially the need to access SMKI services to obtain asset initial credentials where it has not been assigned to a supplier, either on first install or on fault replacement) will require MOP/MAM direct access to the DCC in their own right.

It is important that there is a structured standard approach for MOPs/MAMs having direct access to DCC Services for the installation and management of smart meters.

This is an area where a standard approach will help the industry to operate in a competitive way with effectiveness and efficiency. Relying on commercial relationships between the supplier and a MOP/MAM for access would significantly increase the costs of a MOP/MAM and reduce the competitiveness of suppliers who wish to take advantage of an independent MOP/MAM working on behalf of a number of suppliers.

¹ Please note that from 1 February 2014, the 'Metering, Communications and Services' business within Siemens name changed to 'Operational Services'.

Q19. Do you have any views on the possible options identified for MOPs / MAMs to access DCC Services? Please provide a rationale for your views.

Option 1 - This is not the preferred option of Siemens.

The MOP relies on commercial arrangements between themselves and the suppliers that they are working for to obtain information from DCC. As mentioned above, there are many benefits to MOP/MAMs having direct access to DCC services and this option does not deliver these. Even SEC 1 recognised that there were benefits of MOPs/MAMs engaging directly with DCC. This option would be a backward step.

Option 2 - This is not the preferred option of Siemens.

This is a hybrid approach that does not require a MOP to become a SEC party for some DCC Services but not for others. Having this split approach seems overly complicated, technically complex and costly for no benefit. Developing interfaces to supplier systems would be difficult and costly.

As there would be a requirement, under this option, for a MOP/MAM to be a SEC Party and DCC User then Option 3 would seem the rational option.

Option 3 - This is the preferred option of Siemens.

MOPs / MAMs become a SEC Party and a DCC User for all services available to them. The Meter Operator and Meter Asset Maintainer become Parties in the SEC 'Other' Party category with access to DCC Services necessary for them to carry out their role.

This delivers the ability for MOPs/MAMs to access DCC services directly whilst meeting the 'Supplier Hub' principle as the availability of the diagnostic DCC services will be controlled by the registration information within DCC. The diagnostic DCC services for MOPs / MAMs are all read only activities which are non-critical commands.

It provides a structured standard approach for MOPs / MAMs having direct access to DCC Services for the installation and management of smart meters. This will help the industry to operate in a competitive way with effectiveness and efficiency. It provides clarity of responsibilities.

It also allows MOPs / MAMs to use the SMKI Service provided by DCC so that it can operate on behalf of different suppliers with a common set of assets from a MAP (which may or may not be the MOP / MAM) that can be used for different suppliers where there are commercial arrangements between the MAP and suppliers concerned.

Q20. Are there any other options which should be considered for MOPs / MAMs to access DCC services?

No alternative full option suggestions. However, we believe that the comment made in paragraph 207 is important in choosing option 3. The conclusion that a MOP or MAP, operating in its own category of User would, as stated, incur Explicit DCC Charges may be correct as the commercial framework stands now. However, we believe that this new

direct MOP User category should not be treated as independent of the Supplier since, in all cases, it would be carrying out services on behalf of the supplier. Invoicing the MOP/MAM as direct user will only cause additional administration costs for both the supplier and its Nominated Agent, whereas these could all be billed to the registered supplier.

We would also like to raise one issue regarding Communications Hubs.

Siemens understand that the CSPs will only provide communications hubs to suppliers. It would seem sensible for communications hubs to also be available to MOPs for installation work when meters are being installed for multiple suppliers and when faulty communications hubs require changing. We believe that suppliers are allowed to nominate two delivery points for communications hubs, and a MOP could potentially ask a supplier to send some directly to their stores. However, when a MOP/MAM may be working for multiple suppliers this doesn't seem a satisfactory alternative.

We do not believe the processes of binding smart meters and hubs has been agreed as yet, but we need to flag the issue of a MOP discovering the need to replace the hub whilst on site and not being appointed by the supplier who originally installed the faulty hub for the other fuel.

Application to Profile Class 3 and 4 meters installed for customers exempted from Supplier's Licence to install a smart meter i.e. originally installed under customer appointed Meter Operator and Data Collection agreements.

We envisage that some Meter Operators and Customers may, in the future, wish to take advantage of the communication services of the DCC for customer owned or lease meters. Currently the industry processes require the Supplier to appoint the Meter Operator and Data Collector to the Industry role but all remote access to the meter and set up is driven through the customer contract with the Meter Operator/Data Collector and Meter Asset Provider with Industry data flow management being provided to the Supplier.

To maintain the customer's right to own their own meter and appoint its own service providers in the DCC served scenario it would be helpful for Option 3 above to be chosen as this would allow the current Competitive Market to continue and take advantage of DCC communications and allow the registered supplier direct access to meter reading. This approach would move the market on to provide consistency in smart meter technology and security standards for Agents and services to smart meters. Whilst Option 3 may facilitate some MOP/MAMs to use the DCC it will, as a read only access role, only provide part of the services that are currently provided to customers.

For any questions or further information on Siemens response to this consultation please contact:

About Siemens in the UK

Siemens was established in the United Kingdom 170 years ago and now employs 12,972 people in the UK. Last year's revenues were £4.4 billion. As a leading global engineering and technology services company, Siemens provides innovative solutions to help tackle the world's major challenges, across the key sectors of Energy, Industry, Infrastructure & Cities and Healthcare. Siemens plc has offices and factories throughout the UK, with its headquarters in Frimley, Surrey.

The company's global headquarters is in Munich, Germany.
For more information, visit www.siemens.co.uk