

Smart Metering Implementation Programme

Consultation on transitional arrangements in the Smart Energy Code

DCC response
31st October 2014

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1 Executive Summary

1.1 Introduction and background

Smart DCC Ltd (DCC) was granted the Smart Meter Communication Licence and acceded to the Smart Energy Code (SEC) on 23rd September 2013.

DCC provides the shared communications infrastructure allowing energy suppliers, network operators and other authorised users to operate Smart Meters. The Smart Meter communication service will enable consumers to manage their energy usage with near to real-time information of their energy consumption. Consumers will benefit from energy savings and reduced emissions as a result of more accurate information, bringing an end to estimated billing.

1.2 Smart Energy Code

The SEC¹, which came into force under the Smart Meter Communication Licence, is a multiparty contract which sets out the provisions for the DCC's Smart Meter Communication Service and specifies other provisions to govern the end-to-end management of Smart Metering.

The SEC is being consulted on and introduced in stages by DECC (Department of Energy & Climate Change). The most recent consultation was Smart Energy Code content Stage 4 (SEC4)² which closed in August 2014.

1.3 Transitional arrangements consultation

DECC issued a 'Consultation on transitional arrangements in the Smart Energy Code' on 3rd October 2014 and invited responses from stakeholders by 31st October 2014. The consultation seeks views on the following proposals:

- To introduce two interim measures to support the submission of Communications Hubs order forecasts;
- To introduce transitional service management arrangements to apply in the interim; and
- To allow the Secretary of State to re-designate SEC subsidiary documents, if required.

1.4 DCC's response

This document sets out DCC's response to the consultation on transitional arrangements. In responding to this consultation, DCC is motivated by its

¹ Current SEC (3.0), accessible here:

<https://www.smartenergycodecompany.co.uk/sec/sec-and-subsiary-documents>

² New SEC content (Stage 4), consultation document accessible here:

<https://www.gov.uk/government/consultations/new-smart-energy-code-content-stage-4>

commitment to deliver its Interim General Objective to achieve "...full, timely, efficient, economical and secure Completion of Implementation."³

This response also reflects input received from DCC's Service Providers⁴.

We broadly agree with the proposals set out in the consultation, subject to some specific considerations which we have set out in the main body of this response.

DCC's response is provided in the context of DCC's current activities to develop a revised implementation plan which will be consulted on in accordance with Condition 13⁵ of the Licence. As this plan is being developed, including our proposals for managing time contingency. DCC considers that the transitional arrangements need to avoid being overly prescriptive with respect to dates by which provisions apply (or end) and in certain regards they should allow for the gradual move from transitional arrangements to the enduring solutions.

Where transitional arrangements are, often inadvertently, prescriptive as to the technical solutions, there are no provisions proposed for DCC to determine the most appropriate solution. DCC considers that legal text should only be prescriptive where absolutely necessary.

We are keen that the regulatory framework retains sufficient flexibility to allow the programme to respond to small changes as and when they arise - this is especially important during the transitional phase of the programme. This response reflects that position.

DCC looks forward to continuing to work with DECC and stakeholders to build a fit for purpose regulatory framework within which the benefits of Smart Metering can be realised.

If you have any questions regarding any part of this response please address them to

DCC plans to publish this response on its website.

³ Licence Condition 5.4

⁴ Those Service Providers are Telefonica S.A (Communications Service Provider Central/South), Arqiva Plc (Communications Service Provider North), CGI (Data Services Provider), BT Plc (Trusted Service Provider) and Critical Software (Parse and Correlate Service Provider).

⁵ DCC Licence accessible here <https://epr.ofgem.gov.uk/Content/Documents/Smart%20DCC%20Limited%20-%20Smart%20Meter%20Communication%20Consolidated%20Licence%20Conditions%20-%20Current%20Version.pdf>

2 Communications Hubs

Communications Hubs	
Q1	<p>Do you agree with the proposed transitional measures to support Communications Hubs forecasting for an interim period?</p> <p>In particular:</p> <ul style="list-style-type: none"> 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? <p>If you do not agree, please explain your rationale.</p>
A1	<p>DCC broadly agrees with the proposed transitional measures to support Communications Hubs forecasting and associated legal drafting, subject to the following observations:</p> <p><i>Timing of provisions</i></p> <ol style="list-style-type: none"> The proposed drafting in X3.3 states that "the "Initial Delivery Date" shall be 1 November 2015". This date was set as falling one month prior to DCC providing initial operational services in December 2015, in accordance with DCC's plan as previously submitted under Licence Condition 13. This was intended to align with the CSP contracts and the timing of their obligations to deliver Communications Hubs. The SEC states that each Supplier Party must submit its first Communications Hub Forecast during "the month ending nine months in advance of the start of the month in which the Initial Delivery Date occurs". As outlined in the executive summary above, DCC is currently reviewing its plan prior to consultation and the provision of initial operational services is highly likely to change to a later date. However any change to dates in the DCC plan will only be confirmed once DCC has completed the process outlined in the Licence and submitted its revised plan to the Secretary of State. There is a risk that the Secretary of State will not have provided approval (under LC13.16) and subsequently amended the Initial Delivery Date prior to the submission of the first Communications Hub Forecasts. Neither the SEC nor the CSP contracts allow for the amendment of Communications Hub Forecasts in this scenario. The proposed drafting in X3.3(d) states that DCC would be obliged to make the CH Ordering System available from 1 June 2015. This date was set to allow for Communications Hub Orders to be placed five months in advance of the Initial Delivery Date. DCC suggests that the legal text requires DCC to make the CH Ordering System available by the start of the month that falls 5 months prior to the Initial Delivery Date, rather than to put in a 'hard coded' date. <p><i>Requirement to use email</i></p> <ol style="list-style-type: none"> The proposed drafting in X3.3(d)(ii) suggests that Parties may only use email to submit Communications Hub Forecasts. DCC is concerned that this proposed provision is overly prescriptive as it does not allow

DCC to determine the most appropriate means for Parties to submit Communications Hub Forecasts. It is worth noting that Parties currently submit Communications Hub Forecasts via email, however we are keen to retain flexibility should the approach need to change. Therefore DCC suggests that the legal text should read "Parties shall submit the Communications Hub Forecasts required in accordance with Section X3.3(a) by a means specified by the DCC", in practice this may be via email, SharePoint or similar systems.

Format of Communications Hub Forecasts

- d) DCC has agreed with Parties that Communications Hub Forecasts should be submitted in Excel format, DCC has shared a template with SEC Parties. This has received support from SEC Parties; DCC is however, keen to retain flexibility should the format need to change. Therefore, we suggest that the legal drafting allows DCC to determine the most appropriate format of a Communications Hub Forecast and communicate this to Parties. The CH Support Materials are due to be consulted on in December 2014; as a result the document will not be finalised and available to apply to the transitional phase.

Provision of WAN Coverage information

- e) The proposed drafting in X3.3(d)(iv) suggests that WAN Coverage could only be made available to Parties "via the DCC website". The current proposed drafting may be interpreted as a requirement for DCC to publish WAN coverage information without restriction on DCC's public website. DCC currently publishes WAN Coverage via SharePoint to Parties only. DCC is concerned that publication of WAN Coverage only "via the DCC Website" would be overly prescriptive and would mean that such information would be publicly available. DCC suggests that this text is removed so that it reads "DCC shall make the following information available to other Parties". DCC considers that this would allow DCC to determine the most appropriate method to share WAN coverage information.
- f) For the avoidance of doubt, and in reference to your specific question on the new provision for DCC to provide WAN information via spreadsheet (CSV format) in advance of the full WAN information being available, DCC confirms that it is content with this approach.

3 Service Management

Service Management	
Q1	<p>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?</p> <p>If you do not agree, please explain your rationale.</p>
A1	<p>DCC broadly agrees with the proposed transitional measures to support transitional service management and associated legal drafting, subject to the following observations:</p> <p><i>Terminology</i></p> <ul style="list-style-type: none"> a) In paragraph 30 of the consultation document, we note that the words "crisis" and "incident" have been used interchangeably. We have interpreted these both to mean "Disaster" which is consistent with the terminology used in the Incident Management Policy (which includes the BCDR procedures). We note that this is not an issue in the legal drafting, however we have included it here for the avoidance of doubt. b) The proposed drafting in X7.17 refers to an "Incident controller", in practice the title assigned by DCC to an individual who manages "Disasters" is an 'Incident Manager' Such title will only apply in the transitional period, DCC suggests that the legal drafting is amended to reflect this. c) The proposed drafting in X7.17 refers to "emergencies". DCC suggests this is changed to "Disaster" which is consistent with the terminology used in the Incident Management Policy (which includes the BCDR procedures). <p><i>Timing of provisions</i></p> <ul style="list-style-type: none"> d) The proposed drafting in X7.3 states that the relevant enduring policies are the Incident Management Policy and the Registration Incident Management Policy. Both of these policies will support service management in the enduring period. We are working to the assumption that both of these policies will be formally incorporated into the SEC at ILO. Provided that this is the case, and that there is no intent that they are incorporated sooner than ILO, we are content for X7 to cease to have effect once the relevant enduring policies are incorporated into the SEC. <p><i>Format of contact details</i></p> <ul style="list-style-type: none"> e) The proposed drafting in X7.5 and X7.6 refer to Parties and RDPs' obligations to provide DCC with an up-to-date list of nominated individuals who are authorised to log incidents. DCC suggests that the requirement to provide just email addresses and mobile phone numbers would be overly prescriptive since it would limit the ability for DCC to request more contact details of nominated individuals should it require them. DCC suggests that the legal drafting is amended to say "including for each such individual their contact

details in a format as reasonably required by DCC".

- f) The proposed drafting in X7.10 also states that "DCC shall provide one or more email addresses and telephone number". DCC considers that this is overly prescriptive as it limits DCC's ability to provide other means of contact, in the case where email address and telephone numbers are not appropriate. Therefore DCC suggests that the drafting is amended to say "DCC shall provide the appropriate contact details".

Prioritisation of incidents

- g) The proposed drafting in X7.16 states that "DCC shall establish a process", however we consider that this text could be misleading, since DCC does not intend to publish a prescriptive process. DCC suggests that the word "process" is replaced with "means" to enable DCC to provide a pragmatic approach to discussing the prioritisation of incidents.

Requirement to use email

- h) The proposed drafting in X7.18 states that notification of an alternative means of communication "shall be given to the Nominated Incident Contacts via email". DCC considers this to be overly prescriptive as it limits the provision of notification to Nominated Incident Contacts via email only. DCC suggests that the drafting is amended to say "such notification shall be given to the nominated Incident Contacts by an appropriate means of communication, as communicated by DCC".
- i) The proposed drafting in X7.19 also refers to "email" which DCC considers to be overly prescriptive therefore we suggest this is replaced with the same proposed drafting as stated in (h).

Incident reporting

- j) The proposed drafting in X7.20 states that DCC is to compile a report on the Disaster, which sets out the cause and future mitigation, within 5 working days following the return to normal availability. However, there may be situations where the cause of the Disaster may not be known within 5 working days. In such circumstances DCC suggests that it carries out best endeavours in reporting the cause and future mitigation of the disaster.

4 Re-designation of SEC subsidiary documents

SEC Subsidiary Documents	
Q1	<p>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?</p> <p>If you do not agree, please explain your rationale.</p>
A1	<p>DCC agrees 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.</p> <p>For the avoidance of doubt, DCC assumes that the consultation process referred to in X5.11 is consistent with the current consultation process undertaken for SEC subsidiary documents.</p>