



utility funding



Jane Eccles,  
Smart Metering Implementation Programme  
Department of Energy & Climate Change,  
3 Whitehall Place,  
London,  
SW1A 2AW.

22<sup>ND</sup> May 2014

Dear Jane,

**RE: Consultation Response: Consultation on changes to equipment installation requirements and the governance arrangements for technical specifications.**

The Community of Meter Asset Providers (CMAP) is a group of meter asset providers (MAPs) that includes Calvin Capital Limited, Macquarie Energy Leasing, Lowri Beck, Northern Powergrid Metering and Utility Funding Limited.

The CMAP was formed in late 2011 in response to the Smart Metering Implementation Programme to review and address a number of concerns that MAP's had in tracking their assets through industry data flows and effective commercial interoperability to reduce commercial risks and unnecessary meter exchanges following change of supplier.

CMAP has set out responses to the relevant questions in the attached appendix.

Yours sincerely,

## **Appendix 1: responses to questions**

**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.**

CMAF agrees with both the policy intent and licence condition drafting.

We would seek clarity over the issue of different versions of CHTS communication hubs and SMETS smart meters being compatible. The policy document and licence condition drafting indicates that a particular SMETS version will be compatible with a particular version of CHTS, implying that, for example, a later version of CHTS hubs might not be compatible with an earlier version of SMETS equipment.

For the installation of gas and electricity smart meters at different times, fault replacement or other equipment replacement activities this could lead to significant complexity for meter installers where all versions of equipment might need to be carried on the van and also for the installer to identify the version of equipment currently installed. This could lead to equipment being unnecessarily replaced where the installer does not have the correct version on their van or incorrectly identifies the current version of installed equipment.

We therefore seek clarification from DECC over the backward compatibility of SMETS metering equipment and CHTS communications hubs to minimise stranding risk and prevent unnecessary costs to consumers.

**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.**

CMAF agrees with the approach and licence condition drafting. However, the same point about clarification over the compatibility of different versions of equipment also applies to these devices.

**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.**

CMAF agrees with the approach as this will enable an efficient transition between each version of SMETS. For the duration of the notice period it is likely that the upper end (9-12 months) will provide the most efficient transition so that meter manufacturers can make any amendments to their production arrangements and so that meter manufacturers, MAPs and suppliers have the opportunity to manage any stocks of the outgoing version of SMETS out of the supply chain.

There is one area where we cannot see that the policy intent has been translated into licence condition drafting. We understand that there is a policy intent to support the minimization of asset stranding where a fault occurs so that where, for example, SMETS 2 is in force and a SMETS 1 meter is faulty it can be replaced with another SMETS 1 meter, provided that other SMETS 1 equipment remains in situ.

This approach would ensure that the other SMETS 1 equipment can remain on the wall and enable both energy suppliers and MAPs to re-use equipment that would otherwise need to be scrapped, both of which will minimize stranding and reduce costs to consumers. Whilst this could be interpreted as 'maintenance' it would be more effective if clearer licence condition drafting could be provided to ensure absolute clarity on this intent.

**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.**

CMAF agrees with the proposed approach and its translation into licence condition drafting.