



SCOTTISHPOWER

Smart Metering Implementation Programme –
Product Delivery Team
Department for Business, Energy and Industrial Strategy
3 Whitehall Place
London, SW1A 1AW

24 October 2016

Dear Sir/Madam,

Consultation on Smart Energy Code and Licence Amendments – September 2016

Thank you for the opportunity to respond to this consultation.

Our responses are set out in the annex.

While we are generally supportive of the proposals in the consultation, we have some concerns about the Proactive Install & Leave process, and are particularly disappointed that the Government is not seeking to prevent this for meters operating in a prepayment mode. We do not think this will prove robust to either the change of supplier or the change of tenancy processes.

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Annex

Install and Leave

Q1 Do you agree that the legal drafting implements reactive I&L policy as proposed? Please provide a rationale for your views.

Yes; however, there does not appear to be a backstop in the proposals to ensure the HAN is established and the SMICoP processes completed in cases where the customer has changed supplier in the period between the installation of the Smart Metering System and the Notified Date.

It may be that the obligation could transfer to the new supplier, as the DCC will presumably notify the current supplier when the SM WAN becomes available. In that case, the new supplier would need access to the join codes associated with the devices in order to establish the HAN network; however, these details are held by the installing supplier and there is currently no defined mechanism for their exchange.

One alternative is for the current supplier to simply replace the meter when the SM WAN becomes available, but this would increase costs and reflect badly on the rollout generally.

Q2 Do you agree with the proposed approach for the implementation of proactive I&L for new connections and replacement meters? Please provide a rationale for your views.

Notwithstanding that the circumstances we describe at Q1 might also apply here, we agree that provisions for proactive I&L could be useful for statutory meter changes and for new connections. However, we are very concerned at the Government's proposal not to prevent I&L for meters that are operating in a prepayment mode as we think that is incompatible with the current practise for Change of Supplier (CoS), which sees the losing supplier revert the meter to credit mode.

In our view, proactive I&L for prepayment would introduce a considerable risk that these customers will be left unable to vend following a CoS. This is because the gaining supplier, although possibly able to identify that the customer has a smart meter, is unlikely to be aware that there is no WAN connection of any sort. The issue might only be made manifest when the customer finds he/she is unable to vend.

There is a further risk in the event of a Change of Tenancy, where the absence of a WAN connection could result in the supplier being unable to clear the outgoing customer's balance information from the PP meter. We think that risks a breach of data privacy/protection rules.

Q3 Do you agree that the legal drafting implements proactive I&L policy as proposed? Please provide a rationale for your views.

While the approach would implement the proactive I&L policy as proposed, we think the detail being added to the licence is pitched at far too low a level. Traditionally, the industry has relied on its suite of codes to construe, and give effect to, the licences in its operational activities. In our opinion, placing such detail in the licence itself is inconsistent with the existing regulatory framework.

Maintenance of Smart Metering Systems

Q4 Do you agree that the proposed legal drafting accurately reflects our policy intention on maintenance and replacement of smart metering systems? Please provide a rationale for your views.

We broadly think this approach makes sense for SMETS2 equipment and above; or where equipment is already enrolled in the DCC. However, we remain very concerned about the practicability of such arrangements if they are applied to SMETS1 metering systems ahead of their enrolment. Given the numbers of SMETS1 manufacturers and head end providers active in the market today, there is considerable risk such application will have the effect of driving commercial behaviours.

It could prove particularly problematic where the customer separates gas and electricity providers after a dual-fuel smart installation. If the gas meter was operating in prepayment mode, the customer would lose that prepayment functionality if the electricity meter was changed. This is because the communications hub, which will be intimate to the new electricity meter, will be connected to a different SMSO after the meter exchange, which means the gas meter would no longer have access to it.

Getting around this issue would depend on either the electricity supplier installing a meter of the same manufacture and/or operating with the same SMSO as the gas meter, or the gas supplier installing a separate communications hub of its own. Importantly, however, the electricity supplier is unlikely to be aware of the presence of a prepayment gas meter and, as the customer is equally unlikely to be aware of the issue, the problem will only come to light when the customer attempts to vend.

Simplification of change of supplier information flows

Q5 Do you agree with the legal drafting of the proposed amendment to the electricity supply licence condition 50 regarding change of suppliers? Please provide a rationale for your views.

Yes; as the information might already have been provided via the D0150 data flow, duplicating the effort is only likely to cause confusion.

Testing required to implement changes to the SEC

Q6 Do you agree with the proposal and associated legal drafting to introduce additional requirements to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC? Please provide a rationale for your views.

Yes, we agree with the proposals and the relevant legal drafting.

Q7 Do you agree with the proposal and associated legal drafting (amendments to Section D) to clarify when and how testing requirements should be considered, for SEC Modification Proposals? Please provide a rationale for your views.

Yes, we agree with the proposals and the relevant legal drafting.

Enduring Registration Data Provider Entry Process Testing

Q8 Do you agree with the proposal and associated legal drafting to provide enduring RDP Entry Process Tests? Please provide a rationale for your views.

Yes, we agree with the proposals and the relevant legal drafting.

Q9 Do you think that is appropriate that new Electricity Distribution Licensee or Gas Transportation Licensee holders, who opt to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests) be permitted to use this testing service? Please provide a rationale for your views.

Yes, we think this is appropriate.

Changes to the Enduring Testing Approach Document (ETAD)

Q10 Do you agree with the proposal and associated legal drafting to provide DCC with the ability to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the requirements set out in the ETAD? Please provide a rationale for your views.

Yes, we agree with the proposals and the relevant legal drafting.

Provision of variant Communications Hubs for testing

Q11 Do you agree with the proposal and associated legal drafting to clarify the requirements around Test Communications Hubs? Please provide a rationale for your views.

We understand that it might be expensive for the DCC to maintain Test Comms Hubs for all variants and for all test participants. In practise, however, the proposals could mean we are unable to maintain our own test environments at the level of firmware we have in live. We would, therefore, very much like to better understand the implications of this, and would like much more detail; in particular, the business case for any alternative arrangements that might have been explored.

Changes to Section N to support SMETS1 Enrolment and Adoption by the DCC

Q12 Do you agree with the proposed changes and legal drafting in relation to Section N? Please provide any rationale.

We agree with the proposed changes.

Amendments to the Ofgem Significant Code Review process

Q13 Do you agree that the legal drafting implements the changes to Ofgem's Significant Code Review powers contained in its Code Governance Review 3 Final Decision?

Yes, the legal drafting appears to meet with requirements.

Privacy requirements

Q14 Do you have any comments on the proposed changes to Section H and Section I? Please provide a rationale for your views.

We offer no comment on the changes proposed.

Making certain transitional variations enduring

Q15 Do you agree with the proposals to make certain transitional variations described in Chapter 3.4 enduring? Please provide a rationale for your views.

Yes, we agree with the proposals to make these provisions enduring.

Definition of Registration Data Provider Systems

Q16 Do you agree with the proposal to revise the RDP Systems definition and the associated legal drafting? If not, please provide a rationale.

Yes, we agree that all references to RDP communications with the Device Certification Authority (DCA) can be removed.

Changes to the SEC to enable it to accommodate multiple versions of Technical Specifications

Q17 Do you agree with our proposals for how multiple Technical Specifications and GBCS should be managed within the Code and do you have any comments on the proposed changes to supply licence conditions, the DCC licence and the SEC in order to give effect to them?

Although the arrangements will introduce a layer of complexity, they are broadly analogous to the existing HH arrangements. Therefore, provided the system design encompasses fields that will allow versions to be tracked, we are fairly comfortable with them.

Q18 Do you agree with our proposed approach to facilitating multiple versions of DUIS (and associated versions of the Message Mapping Catalogue and Parse and Correlate software)?

We need confirmation of how the version details are to be communicated to the DCC, and that the mechanism already exists in the interface, before we can really offer our support for this approach.

Minor Miscellaneous Changes

Q18 (19) Do you agree with the proposals to make the changes set out in the Minor Miscellaneous Changes chapter and do you agree with the associated legal drafting? Please provide a rationale for your view.

Yes, we agree that all of the proposed changes, as listed at paragraph 138 of the consultation document, appear to be in order.

ScottishPower
October 2016